

# [COMMITTEE PRINT]

JULY 14, 2005

## (SHOWING THE TEXT OF H.R. 609 AS REPORTED BY THE SUBCOMMITTEE ON 21st Century Competitiveness)

### 1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

2 (a) SHORT TITLE.—This Act may be cited as the  
3 “College Access and Opportunity Act of 2005”.

### 4 (b) TABLE OF CONTENTS.—

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“Sec. 123. Restrictions on funds for for-profit schools.

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“Sec. 499. Report to Congress on prevention of fraud and abuse in student financial aid programs.

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**1 SEC. 2. REFERENCES; EFFECTIVE DATE.**

2 (a) REFERENCES.—Except as otherwise expressly  
3 provided, whenever in this Act an amendment or repeal  
4 is expressed in terms of an amendment to, or repeal of,  
5 a section or other provision, the reference shall be consid-  
6 ered to be made to a section or other provision of the  
7 Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

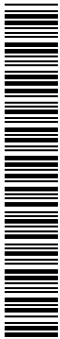
8 (b) EFFECTIVE DATE.—Except as otherwise provided  
9 in this Act, the amendments made by this Act shall take  
10 effect on the date of enactment of this Act.

**11 TITLE I—GENERAL PROVISIONS****12 SEC. 101. DEFINITION OF INSTITUTION OF HIGHER EDU-  
13 CATION.**

14 (a) AMENDMENT.—Title I is amended by striking  
15 sections 101 and 102 (20 U.S.C. 1001, 1002) and insert-  
16 ing the following:

**17 “SEC. 101. DEFINITION OF INSTITUTION OF HIGHER EDU-  
18 CATION.**

19 “(a) INSTITUTION OF HIGHER EDUCATION.—For  
20 purposes of this Act, the term ‘institution of higher edu-  
21 cation’ means an educational institution in any State  
22 that—



1           “(1) admits as regular students only individuals  
2           who—

3                   “(A) meet the requirements of section  
4                   484(d)(3), or have a certificate of graduation  
5                   from a school providing secondary education, or  
6                   the recognized equivalent of such a certificate;

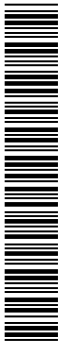
7                   “(B) are beyond the age of compulsory  
8                   school attendance in the State in which the in-  
9                   stitution is located; or

10                  “(C) will be dually enrolled in that institu-  
11                  tion and a secondary school;

12                  “(2) is legally authorized within such State to  
13                  provide a program of education beyond secondary  
14                  education;

15                  “(3) is accredited by a nationally recognized ac-  
16                  crediting agency or association; or

17                  “(4) if not so accredited, is a public or non-  
18                  profit institution that has been granted  
19                  preaccreditation status by such an agency or asso-  
20                  ciation that has been recognized by the Secretary for  
21                  the granting of preaccreditation status, and the Sec-  
22                  retary has determined that there is satisfactory as-  
23                  surance that the institution will meet the accredita-  
24                  tion standards of such an agency or association  
25                  within a reasonable time; and



1 “(5) meets either of the following criteria:

2 “(A) is a nonprofit, for-profit, or public in-  
3 stitution that—

4 “(i) provides an educational program  
5 for which the institution awards a bach-  
6 elor’s degree;

7 “(ii) provides not less than a 2-year  
8 educational program which is acceptable  
9 for full credit towards such a degree; or

10 “(iii) provides not less than a 1-year  
11 program of training that prepares students  
12 for gainful employment in a recognized oc-  
13 cupation; or

14 “(B) is a nonprofit, for-profit, or public in-  
15 stitution that provides an eligible program (as  
16 defined in section 481)—

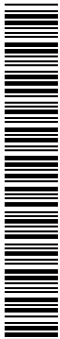
17 “(i) for which the institution awards a  
18 certificate; and

19 “(ii) that prepares students for gain-  
20 ful employment in a recognized occupation.

21 “(b) ADDITIONAL LIMITATIONS.—

22 “(1) FOR-PROFIT POSTSECONDARY INSTITU-  
23 TIONS.—

24 “(A) DURATION OF ACCREDITATION.—A  
25 for-profit institution shall not be considered to

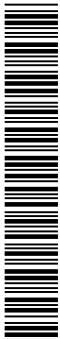


1 be an institution of higher education unless  
2 such institution is accredited by a nationally  
3 recognized accrediting agency or association  
4 and such institution has been in existence for at  
5 least 2 years.

6 “(B) INSTITUTIONAL ELIGIBILITY ONLY  
7 FOR COMPETITIVE GRANTS.—For the purposes  
8 of any program providing grants to institutions  
9 for use by the institution (and not for distribu-  
10 tion among students), a for-profit institution  
11 shall not be considered to be an institution of  
12 higher education under this section if such  
13 grants are awarded on any basis other than  
14 competition on the merits of the grant proposal  
15 or application.

16 “(2) POSTSECONDARY VOCATIONAL INSTITU-  
17 TIONS.—A nonprofit or public institution that meets  
18 the criteria of subsection (a)(5)(B) shall not be con-  
19 sidered to be an institution of higher education un-  
20 less such institution has been in existence for at  
21 least 2 years.

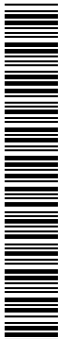
22 “(3) LIMITATIONS BASED ON MANAGEMENT.—  
23 An institution shall not be considered to meet the  
24 definition of an institution of higher education in  
25 this section if—



1           “(A) the institution, or an affiliate of the  
2           institution that has the power, by contract or  
3           ownership interest, to direct or cause the direc-  
4           tion of the management or policies of the insti-  
5           tution, has filed for bankruptcy, except that  
6           this paragraph shall not apply to a nonprofit in-  
7           stitution, the primary function of which is to  
8           provide health care educational services (or an  
9           affiliate of such an institution that has the  
10          power, by contract or ownership interest, to di-  
11          rect or cause the direction of the institution’s  
12          management or policies) that filed for bank-  
13          ruptcy under chapter 11 of title 11, United  
14          States Code, between July 1, 1998, and Decem-  
15          ber 1, 1998; or

16          “(B) the institution, the institution’s  
17          owner, or the institution’s chief executive officer  
18          has been convicted of, or has pled nolo  
19          contendere or guilty to, a crime involving the  
20          acquisition, use, or expenditure of Federal  
21          funds, or has been judicially determined to have  
22          committed a crime involving the acquisition,  
23          use, or expenditure involving Federal funds.

24          “(4) LIMITATION ON COURSE OF STUDY OR EN-  
25          ROLLMENT.—An institution shall not be considered



1 to meet the definition of an institution of higher  
2 education in subsection (a) if such institution—

3 “(A) offers more than 50 percent of such  
4 institution’s courses by correspondence (exclud-  
5 ing courses offered by telecommunications as  
6 defined in 484(l)(4)), unless the institution is  
7 an institution that meets the definition in sec-  
8 tion 3(3)(C) of the Carl D. Perkins Vocational  
9 and Technical Education Act of 1998;

10 “(B) enrolls 50 percent or more of the in-  
11 stitution’s students in correspondence courses  
12 (excluding courses offered by telecommuni-  
13 cations as defined in 484(l)(4)), unless the in-  
14 stitution is an institution that meets the defini-  
15 tion in section 3(3)(C) of the Carl D. Perkins  
16 Vocational and Technical Education Act of  
17 1998, except that the Secretary, at the request  
18 of the institution, may waive the applicability of  
19 this subparagraph to the institution for good  
20 cause, as determined by the Secretary in the  
21 case of an institution of higher education that  
22 provides a 2- or 4-year program of instruction  
23 (or both) for which the institution awards an  
24 associate or baccalaureate degree, respectively;



1           “(C) has a student enrollment in which  
2           more than 25 percent of the students are incar-  
3           cerated, except that the Secretary may waive  
4           the limitation contained in this subparagraph  
5           for an institution that provides a 2- or 4-year  
6           program of instruction (or both) for which the  
7           institution awards a bachelor’s degree, or an as-  
8           sociate’s degree or a postsecondary certificate,  
9           respectively; or

10           “(D) has a student enrollment in which  
11           more than 50 percent of the students either do  
12           not meet the requirements of section 484(d)(3)  
13           or do not have a secondary school diploma or  
14           its recognized equivalent, and does not provide  
15           a 2- or 4-year program of instruction (or both)  
16           for which the institution awards an associate’s  
17           degree or a bachelor’s degree, respectively, ex-  
18           cept that the Secretary may waive the limita-  
19           tion contained in this subparagraph if an insti-  
20           tution demonstrates to the satisfaction of the  
21           Secretary that the institution exceeds such limi-  
22           tation because the institution serves, through  
23           contracts with Federal, State, or local govern-  
24           ment agencies, significant numbers of students  
25           who do not meet the requirements of section



1           484(d)(3) or do not have a secondary school di-  
2           ploma or its recognized equivalent.

3           “(c) LIST OF ACCREDITING AGENCIES.—For pur-  
4           poses of this section, the Secretary shall publish a list of  
5           nationally recognized accrediting agencies or associations  
6           that the Secretary determines, pursuant to subpart 2 of  
7           part H of title IV, to be reliable authority as to the quality  
8           of the education or training offered.

9           “(d) CERTIFICATION.—The Secretary shall certify,  
10          for the purposes of participation in title IV, an institu-  
11          tion’s qualification as an institution of higher education  
12          in accordance with the requirements of subpart 3 of part  
13          H of title IV.

14          “(e) LOSS OF ELIGIBILITY.—An institution of higher  
15          education shall not be considered to meet the definition  
16          of an institution of higher education in this section for  
17          the purposes of participation in title IV if such institution  
18          is removed from eligibility for funds under title IV as a  
19          result of an action pursuant to part H of title IV.

20          **“SEC. 102. INSTITUTIONS OUTSIDE THE UNITED STATES.**

21          “(a) INSTITUTIONS OUTSIDE THE UNITED  
22          STATES.—

23                 “(1) IN GENERAL.—An institution outside the  
24          United States shall be considered to be an institu-  
25          tion of higher education only for purposes of part B



1 of title IV if the institution is comparable to an in-  
2 stitution of higher education, as defined in section  
3 101, is legally authorized by the education ministry  
4 (or comparable agency) of the country in which the  
5 school is located, and has been approved by the Sec-  
6 retary for purposes of that part. The Secretary shall  
7 establish criteria by regulation for that approval and  
8 that determination of comparability. An institution  
9 may not be so approved or determined to be com-  
10 parable unless such institution is a public or non-  
11 profit institution, except that, subject to paragraph  
12 (2)(B), a graduate medical school or veterinary  
13 school located outside the United States may be a  
14 for-profit institution.

15 “(2) MEDICAL AND VETERINARY SCHOOL CRI-  
16 TERIA.—In the case of a graduate medical or veteri-  
17 nary school outside the United States, such criteria  
18 shall include a requirement that a student attending  
19 such school outside the United States is ineligible  
20 for loans made, insured, or guaranteed under part B  
21 of title IV unless—

22 “(A) in the case of a graduate medical  
23 school located outside the United States—

24 “(i)(I) at least 60 percent of those en-  
25 rolled in, and at least 60 percent of the



1 graduates of, the graduate medical school  
2 outside the United States were not persons  
3 described in section 484(a)(5) in the year  
4 preceding the year for which a student is  
5 seeking a loan under part B of title IV;  
6 and

7 “(II) at least 60 percent of the indi-  
8 viduals who were students or graduates of  
9 the graduate medical school outside the  
10 United States or Canada (both nationals of  
11 the United States and others) taking the  
12 examinations administered by the Edu-  
13 cational Commission for Foreign Medical  
14 Graduates received a passing score in the  
15 year preceding the year for which a stu-  
16 dent is seeking a loan under part B of title  
17 IV; or

18 “(ii) the institution has a clinical  
19 training program that was approved by a  
20 State as of January 1, 1992; or

21 “(B) in the case of a veterinary school lo-  
22 cated outside the United States that is not a  
23 public or nonprofit institution, the institution’s  
24 students complete their clinical training at an



1 approved veterinary school located in the  
2 United States.

3 “(b) ADVISORY PANEL.—

4 “(1) IN GENERAL.—For the purpose of quali-  
5 fying a foreign medical school as an institution of  
6 higher education only for purposes of part B of title  
7 IV, the Secretary shall publish qualifying criteria by  
8 regulation and establish an advisory panel of medical  
9 experts that shall—

10 “(A) evaluate the standards of accredita-  
11 tion applied to applicant foreign medical  
12 schools; and

13 “(B) determine the comparability of those  
14 standards to standards for accreditation applied  
15 to United States medical schools.

16 “(2) FAILURE TO RELEASE INFORMATION.—  
17 The failure of an institution outside the United  
18 States to provide, release, or authorize release to the  
19 Secretary of such information as may be required by  
20 subsection (a)(2) shall render such institution ineli-  
21 gible for the purpose of part B of title IV.

22 “(c) SPECIAL RULE.—If, pursuant to this section, an  
23 institution located outside the United States loses eligi-  
24 bility to participate in the programs under part B of title  
25 IV, then a student enrolled at such institution may, not-



1 withstanding such loss of eligibility, continue to be eligible  
2 to receive a loan under part B of title IV while attending  
3 such institution for the academic year succeeding the aca-  
4 demic year in which such loss of eligibility occurred.”.

5 (b) RESTRICTIONS ON FUNDS FOR FOR-PROFIT  
6 SCHOOLS.—Part B of title I is amended by inserting after  
7 section 122 (20 U.S.C. 1011k) the following new section:  
8 **“SEC. 123. RESTRICTIONS ON FUNDS FOR FOR-PROFIT**  
9 **SCHOOLS.**

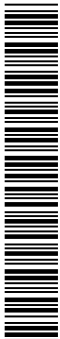
10 “(a) IN GENERAL.—Notwithstanding any other pro-  
11 vision of this Act authorizing the use of funds by an insti-  
12 tution of higher education that receives funds under this  
13 Act, none of the funds made available under this Act to  
14 a for-profit institution of higher education may be used  
15 for—

16 “(1) construction, maintenance, renovation, re-  
17 pair, or improvement of classrooms, libraries, labora-  
18 tories, or other facilities;

19 “(2) establishing, improving, or increasing an  
20 endowment fund; or

21 “(3) establishing or improving an institutional  
22 development office to strengthen or improve con-  
23 tributions from alumni and the private sector.

24 “(b) EXCEPTION.—Subsection (a) shall not apply to  
25 funds received by the institution from the grant, loan, or



1 work assistance that is awarded under title IV to the stu-  
2 dents attending such institution.

3 “(c) INELIGIBILITY FOR CERTAIN PROGRAMS.—Not-  
4 withstanding section 101, a for-profit institution of higher  
5 education shall not be considered an eligible institution for  
6 the programs under titles III and V of this Act.”.

7 (c) CONFORMING AMENDMENTS.—

8 (1) Section 114(a) (20 U.S.C. 1011c(a)) is  
9 amended by striking “(as defined in section 102)”.

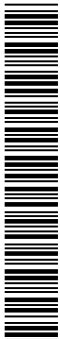
10 (2) Section 435(a)(1) (20 U.S.C. 1085(a)(1)) is  
11 amended by striking “section 102” and inserting  
12 “section 101”.

13 (3) Subsection (d) of section 484 (20 U.S.C.  
14 1091(d)) is amended by striking the designation and  
15 heading of such subsection and inserting the fol-  
16 lowing:

17 “(d) SATISFACTION OF SECONDARY EDUCATION  
18 STANDARDS.—”.

19 (4) Section 486(b)(2) (20 U.S.C. 1093(b)(2)) is  
20 amended by striking “102(a)(3)(A), 102(a)(3)(B)”  
21 and inserting “101(b)(4)(A), 101(b)(4)(B)”.

22 (5) Section 487(c)(1)(A)(iii) (20 U.S.C.  
23 1094(c)(1)(A)(iii)) is amended by striking “section  
24 102(a)(1)(C)” and inserting “section 102”.



1           (6) Section 487(d) (20 U.S.C. 1094(d)) is  
2           amended by striking “section 102” and inserting  
3           “section 101”.

4           (7) Subsections (j) and (k) of section 496 (20  
5           U.S.C. 1099b(j), (k)) are each amended by striking  
6           “section 102” and inserting “section 101”.

7           (8) Section 498(g)(3) (20 U.S.C. 1099c(g)(3))  
8           is amended by striking “section 102(a)(1)(C)” and  
9           inserting “section 102”.

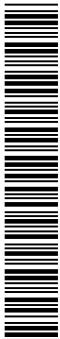
10          (9) Section 498(i) (20 U.S.C. 1099c(i)) is  
11          amended by striking “section 102” and inserting  
12          “section 101”.

13          (10) Section 498(j)(1) (20 U.S.C. 1099c) is  
14          amended by striking “except that such branch shall  
15          not be required to meet the requirements of sections  
16          102(b)(1)(E) and 102(c)(1)(C) prior to seeking such  
17          certification” and inserting “except that such branch  
18          shall not be required to be in existence for at least  
19          2 years prior to seeking such certification”.

20          (11) Section 498B(b) (20 U.S.C. 1099c–2(b))  
21          is amended by striking “section 102(a)(1)(C)” and  
22          inserting “section 102”.

23   **SEC. 102. NEW BORROWER DEFINITION.**

24          Paragraph (7) of section 103 (20 U.S.C. 1003) is  
25          amended to read as follows:



1           “(7) NEW BORROWER.—The term ‘new bor-  
2       rower’ when used with respect to any date for any  
3       loan under any provision of—

4           “(A) part B or part D of title IV means  
5       an individual who on that date has no out-  
6       standing balance of principal or interest owing  
7       on any loan made, insured, or guaranteed under  
8       either of those parts; and

9           “(B) part E of title IV means an indi-  
10      vidual who on that date has no outstanding bal-  
11      ance of principal or interest owing on any loan  
12      made under that part.”.

13 **SEC. 103. STUDENT SPEECH AND ASSOCIATION RIGHTS.**

14       Section 112 (20 U.S.C. 1011a) is amended—

15           (1) by amending subsection (a) to read as fol-  
16       lows:

17       “(a) PROTECTION OF RIGHTS.—

18           “(1) It is the sense of Congress that no student  
19       attending an institution of higher education on a  
20       full- or part-time basis should, on the basis of par-  
21       ticipation in protected speech or protected associa-  
22       tion, be excluded from participation in, be denied the  
23       benefits of, or be subjected to discrimination or offi-  
24       cial sanction under any education program, activity,  
25       or division of the institution directly or indirectly re-



1       ceiving financial assistance under this Act, whether  
2       or not such program, activity, or division is spon-  
3       sored or officially sanctioned by the institution; and

4           “(2) It is the sense of Congress that—

5               “(A) the diversity of institutions and edu-  
6               cational missions is one of the key strengths of  
7               American higher education;

8               “(B) individual colleges and universities  
9               have different missions and each institution  
10              should design its academic program in accord-  
11              ance with its educational goals;

12              “(C) within the context of its institutional  
13              mission, a college should promote intellectual  
14              pluralism and facilitate the free and open ex-  
15              change of ideas;

16              “(D) students should not be intimidated,  
17              harassed, discouraged from speaking out, dis-  
18              criminated against, or subject to official sanc-  
19              tion because of their personal political, ideolog-  
20              ical, or religious beliefs; and

21              “(E) students should be treated equally  
22              and fairly, including evaluation and grading,  
23              without regard to or consideration of their per-  
24              sonal political views or ideological beliefs.



1           “(3) Nothing in paragraph (2) shall be con-  
2       strued to modify, change, or infringe upon any con-  
3       stitutionally protected religious liberty, freedom, ex-  
4       pression, or association.”; and

5           (2) in subsection (b)(1), by inserting after  
6       “higher education” the following: “, if the imposition  
7       of such sanction is done objectively, fairly, and with-  
8       out regard to the student’s personal political, ideo-  
9       logical, or religious beliefs”.

10 **SEC. 104. EXTENSION OF NATIONAL ADVISORY COMMITTEE**  
11 **ON INSTITUTIONAL QUALITY AND INTEGRITY.**

12       Section 114(g) (20 U.S.C. 1011c(g)) is amended by  
13       striking “2004” and inserting “2012”.

14 **SEC. 105. ALCOHOL AND DRUG ABUSE PREVENTION.**

15       Section 120(e)(5) (20 U.S.C. 1011i(e)(5)) is  
16       amended—

17           (1) by striking “1999” and inserting “2006”;  
18       and

19           (2) by striking “4 succeeding fiscal years” and  
20       inserting “5 succeeding fiscal years”.

21 **SEC. 106. PRIOR RIGHTS AND OBLIGATIONS.**

22       Section 121(a) (20 U.S.C. 1011j(a)) is amended by  
23       striking “1999 and for each of the 4” each place it ap-  
24       pears and inserting “2006 and for each of the 5”.



1 **SEC. 107. LIMITATION ON CERTAIN USES OF FUNDS.**

2 Part B of title I is further amended by adding after  
3 section 123 (as added by section 101(b) of this Act) the  
4 following new section:

5 **“SEC. 124. LIMITATION ON CERTAIN USES OF FUNDS.**

6 “No funds made available to carry out this Act may  
7 be used—

8 “(1) for publicity or propaganda purposes not  
9 authorized by the Congress before the date of enact-  
10 ment of the College Access and Opportunity Act of  
11 2005; or

12 “(2) unless authorized by law in effect on such  
13 date of enactment, to produce any prepackaged news  
14 story intended for broadcast or distribution unless  
15 such story includes a clear a notification contained  
16 within the text or audio of such story stating that  
17 the prepackaged news story was prepared or funded  
18 by the Department of Education.”.

19 **SEC. 108. CONSUMER INFORMATION AND PUBLIC AC-**  
20 **COUNTABILITY IN HIGHER EDUCATION.**

21 Section 131 (20 U.S.C. 1015) is amended to read as  
22 follows:

23 **“SEC. 131. CONSUMER INFORMATION AND PUBLIC AC-**  
24 **COUNTABILITY IN HIGHER EDUCATION.**

25 “(a) PURPOSE.—It is the purpose of this section to—



1           “(1) provide students and families with an  
2           easy-to-use, comprehensive web-based tool for re-  
3           searching and comparing institutions of higher edu-  
4           cation;

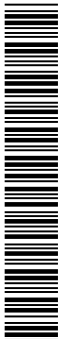
5           “(2) increase the transparency of college cost,  
6           price, and financial aid; and

7           “(3) raise public awareness of information  
8           available about postsecondary education, particularly  
9           among low-income families, non-traditional student  
10          populations, and first-generation college students.

11          “(b) COLLEGE OPPORTUNITY ON-LINE (COOL)  
12          WEBSITE RE-DESIGN PROCESS.—In carrying out this  
13          section, the Secretary—

14               “(1) shall identify the data elements that are of  
15               greatest importance to prospective students, enrolled  
16               students, and their families, paying particular atten-  
17               tion to low-income, non-traditional student popu-  
18               lations, and first-generation college students;

19               “(2) shall convene a group of individuals with  
20               expertise in the collection and reporting of data re-  
21               lated to institutions of higher education, the meas-  
22               urement of institutional compliance costs, consumer  
23               use of data related to institutions of higher edu-  
24               cation, general consumer marketing, and college  
25               intervention services to—



1           “(A) determine the relevance of particular  
2           data elements to prospective students, enrolled  
3           students, and families;

4           “(B) assess the cost-effectiveness of var-  
5           ious ways in which institutions of higher edu-  
6           cation might produce the data desired by con-  
7           sumers;

8           “(C) determine the general comparability  
9           of the data across institutions of higher edu-  
10          cation;

11          “(D) make recommendations regarding the  
12          inclusion of specific data items and the most ef-  
13          fective and least burdensome methods to insti-  
14          tutions of higher education of collecting and re-  
15          porting useful data; and

16          “(3) shall assure that the redesigned COOL  
17          website—

18               “(A) uses, to the extent practicable, data  
19               elements currently provided by institutions of  
20               higher education to the Secretary;

21               “(B) includes clear and uniform informa-  
22               tion determined to be relevant to prospective  
23               students, enrolled students, and families;



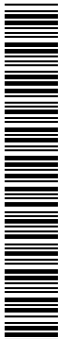
1           “(C) provides comparable information, by  
2           assuring that data is based on accepted criteria  
3           and common definitions;

4           “(D) includes a sorting function that per-  
5           mits users to customize their search for and  
6           comparison of institutions of higher education  
7           based on the information identified through the  
8           process as prescribed in paragraph (1) as being  
9           of greatest relevance to choosing an institution  
10          of higher education.

11       “(c) DATA COLLECTION.—

12           “(1) DATA SYSTEM.—The Secretary shall con-  
13          tinue to redesign the relevant parts of the Integrated  
14          Postsecondary Education Data System to include  
15          additional data as required by this section and to  
16          continue to improve the usefulness and timeliness of  
17          data collected by such systems in order to inform  
18          consumers about institutions of higher education.

19           “(2) INFORMATION FROM INSTITUTIONS.—The  
20          Commissioner of Education Statistics shall publish,  
21          for each academic year and in accordance with  
22          standard definitions developed by the Commissioner  
23          of Education Statistics (including definitions devel-  
24          oped under section 131(a)(3)(A) as in effect on the  
25          day before the date of enactment of the College Ac-



1       cess and Opportunity Act of 2005) from at least all  
2       institutions of higher education participating in pro-  
3       grams under title IV, and such institutions shall  
4       provide, the following data:

5               “(A) The tuition and fees charged for a  
6               full-time undergraduate student.

7               “(B) The room and board charges for such  
8               a student.

9               “(C) The cost of attendance for a full-time  
10              undergraduate student, consistent with the pro-  
11              visions of section 472.

12              “(D) The average amount of financial as-  
13              sistance received by a full-time undergraduate  
14              student, including—

15                      “(i) each type of assistance or benefits  
16                      described in 428(a)(2)(C)(ii);

17                      “(ii) institutional and other assist-  
18                      ance; and

19                      “(iii) Federal loans under parts B, D,  
20                      and E of title IV.

21               “(E) The number of first-time, full-time  
22               students receiving financial assistance described  
23               in each clause of subparagraph (D).

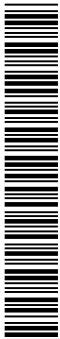


1                   “(F) The average net price for first-time,  
2                   full-time students receiving Federal, State, or  
3                   institutional grant or loan assistance.

4                   “(G) The institutional instructional ex-  
5                   penditure per full-time equivalent student.

6           “(d) DATA DISSEMINATION.—The Secretary shall  
7   make available, at a minimum, the data collected pursuant  
8   to this section, including an institution’s college afford-  
9   ability index as calculated in accordance with subsection  
10   (e). Such data shall be made available in a manner that  
11   permits the review and comparison of data submissions  
12   of individual institutions of higher education. Such data  
13   shall be presented in a form that is easily accessible and  
14   understandable and allows parents and students to make  
15   informed decisions based on the prices for typical full-time  
16   undergraduate students and the institution’s rate of cost  
17   increase. The Secretary shall work with public and private  
18   entities to promote broad public awareness, particularly  
19   among middle and high school students and their families,  
20   of the information made available under this section, in-  
21   cluding by distribution to students who participate in or  
22   receive benefits from Federally funded education pro-  
23   grams and other Federal programs determined by the Sec-  
24   retary.

25           “(e) COLLEGE AFFORDABILITY INDEX.—



1           “(1) IN GENERAL.—The Secretary shall, on the  
2           basis of the data submitted under subsection (a),  
3           calculate a college affordability index for each insti-  
4           tution of higher education submitting such data and  
5           shall make the index available in accordance with  
6           subsection (d) as soon as operationally possible on  
7           the Department’s college opportunity online Web  
8           site.

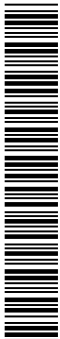
9           “(2) CALCULATION OF INDEX.—The college af-  
10          fordability index shall be equal to—

11               “(A) the percentage increase in the tuition  
12               and fees charged for a first-time, full-time, full-  
13               year undergraduate student between the first of  
14               the 3 most recent preceding academic years and  
15               the last of those 3 academic years; divided by

16               “(B) the percentage increase in the Con-  
17               sumer Price Index—All Urban Consumers  
18               (Current Series) from July of the first of those  
19               3 academic years to July of the last of those 3  
20               academic years.

21          “(f) OUTCOMES AND ACTIONS.—

22               “(1) RESPONSE FROM INSTITUTION.—Effective  
23               on June 30, 2009, an institution that has a college  
24               affordability index that exceeds 2.0 for any 3-year  
25               interval ending on or after that date shall provide a



1 report to the Secretary, in such a form, at such  
2 time, and containing such information as the Sec-  
3 retary may require. Such report shall include—

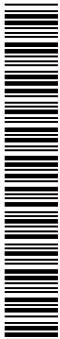
4 “(A) an explanation of the factors contrib-  
5 uting to the increase in the institution’s costs  
6 and in the tuition and fees charged to students;

7 “(B) a management plan stating the spe-  
8 cific steps the institution is and will be taking  
9 to reduce its college affordability index;

10 “(C) an action plan, including a schedule,  
11 by which the institution will reduce increases in  
12 or stabilize, such costs and tuition and fees; and

13 “(D) if determinations of tuition and fee  
14 increases are not within the exclusive control of  
15 the institution, a description of the agency or  
16 instrumentality of State government or other  
17 entity that participates in such determinations  
18 and the authority exercised by such agency, in-  
19 strumentality, or entity.

20 “(2) INFORMATION TO THE PUBLIC.—Upon re-  
21 ceipt of the institution’s report and management  
22 plan under paragraph (1), the Secretary shall make  
23 the institution’s report required under paragraph (1)  
24 available to the public in accordance with subsection  
25 (b).



1           “(3) CONSEQUENCES FOR 2-YEAR CONTINU-  
2           ATION OF FAILURE.—If the Secretary determines  
3           that the institution has failed to comply with the  
4           management plan and action plan submitted by the  
5           institution under this subsection following the next  
6           2 academic years that begin after the submission of  
7           such plans, and has failed to reduce the college af-  
8           fordability index below 2.0 for such 2 academic  
9           years, the Secretary—

10               “(A) shall make available to the public a  
11               detailed report provided by the institution on all  
12               costs and expenditures, and on all tuition and  
13               fees charged to students, for such 2 academic  
14               years;

15               “(B) shall place the institution on an af-  
16               fordability alert status and shall make the in-  
17               formation regarding the institution’s failure  
18               available in accordance with subsection (d);

19               “(C) shall notify the institution’s accred-  
20               iting agency of the institution’s failure; and

21               “(D) may require the institution to submit  
22               to a review and audit by the Inspector General  
23               of the Department of Education to determine  
24               the cause of the institution’s failure.



1           “(4) INFORMATION TO STATE AGENCIES.—Any  
2           institution that reports under paragraph (1)(C) that  
3           an agency or instrumentality of State government or  
4           other entity participates in the determinations of tui-  
5           tion and fee increases shall, prior to submitting any  
6           information to the Secretary under this subsection,  
7           submit such information to, and request the com-  
8           ments and input of, such agency, instrumentality, or  
9           entity. With respect to any such institution, the Sec-  
10          retary shall provide a copy of any communication by  
11          the Secretary with that institution to such agency,  
12          instrumentality, or entity.

13          “(5) EXEMPTIONS.—

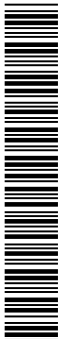
14               “(A) RELATIVE PRICE EXEMPTION.—The  
15               Secretary shall, for any 3-year interval for  
16               which college affordability indexes are computed  
17               under paragraph (1), determine and publish the  
18               dollar amount that, for each class of institution  
19               described in subparagraph (C) represents the  
20               maximum tuition and fees charged for a full-  
21               time undergraduate student in the least costly  
22               quartile of institutions within each such class  
23               during the last year of such 3-year interval. An  
24               institution that has a college affordability index  
25               computed under paragraph (1) that exceeds 2.0



1 for any such 3-year interval, but that, on aver-  
2 age during such 3-year interval, charges less  
3 than such maximum tuition and fees shall not  
4 be subject to the actions required by subpara-  
5 graph (B) or (C) of paragraph (1), or any ac-  
6 tion under paragraph (3), unless such institu-  
7 tion, for a subsequent 3-year interval, charges  
8 more than such maximum tuition and fees.

9 “(B) DOLLAR INCREASE EXEMPTION.—An  
10 institution that has a college affordability index  
11 computed under paragraph (1) that exceeds 2.0  
12 for any 3-year interval, but that exceeds such  
13 2.0 by a dollar amount that is less than \$500,  
14 shall not be subject to the actions required by  
15 subparagraph (B) or (C) of paragraph (1), or  
16 any action under paragraph (3), unless such in-  
17 stitution has a college affordability index for a  
18 subsequent 3-year interval that exceeds 2.0 by  
19 more than such dollar amount.

20 “(C) CLASSES OF INSTITUTIONS.—For  
21 purposes of subparagraph (B), the classes of in-  
22 stitutions shall be those sectors used by the In-  
23 tegrated Postsecondary Education Data Sys-  
24 tem, based on whether the institution is public,  
25 nonprofit private, or for-profit private, and



1           whether the institution has a 4-year, 2-year, or  
2           less than 2-year program of instruction.

3           “(g) FINES.—In addition to actions authorized in  
4 section 487(c), the Secretary may impose a fine in an  
5 amount not to exceed \$25,000 on an institution of higher  
6 education for failing to provide the information described  
7 in this section in a timely and accurate manner, or for  
8 failing to otherwise cooperate with the National Center for  
9 Education Statistics regarding efforts to obtain data on  
10 the cost and price of higher education under this section  
11 and pursuant to the program participation agreement en-  
12 tered into under section 487.

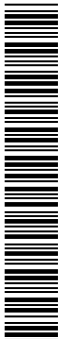
13          “(h) GAO STUDY AND REPORT.—

14               “(1) GAO STUDY.—The Comptroller General  
15 shall conduct a study of the policies and procedures  
16 implemented by institutions in increasing the afford-  
17 ability of postsecondary education. Such study shall  
18 include information with respect to—

19                       “(A) a list of those institutions that—

20                               “(i) have reduced their college afford-  
21 ability indexes; or

22                               “(ii) are, as determined under sub-  
23 section (f)(5)(A), within the least costly  
24 quartile of institutions within each class  
25 described in subsection (f)(5)(C);



1           “(B) policies implemented to stem the in-  
2           crease in tuition and fees and institutional  
3           costs;

4           “(C) the extent to which room and board  
5           costs and prices changed;

6           “(D) the extent to which other services  
7           were altered to affect tuition and fees;

8           “(E) the extent to which the institution’s  
9           policies affected student body demographics and  
10          time to completion;

11          “(F) what, if any, operational factors  
12          played a role in reducing tuition and fees;

13          “(G) the extent to which academic quality  
14          was affected, and how;

15          “(H) the extent to which policies and prac-  
16          tices reducing costs and prices may be rep-  
17          licated from one institution to another; and

18          “(I) other information as necessary to de-  
19          termine best practices in increasing the afford-  
20          ability of postsecondary education.

21          “(2) INTERIM AND FINAL REPORTS.—The  
22          Comptroller General shall submit an interim and a  
23          final report regarding the findings of the study re-  
24          quired by paragraph (1) to the appropriate author-  
25          izing committees of Congress. The interim report



1 shall be submitted not later than July 31, 2011, and  
2 the final report shall be submitted not later than  
3 July 31, 2013.

4 “(i) STUDENT AID RECIPIENT SURVEY.—

5 “(1) SURVEY REQUIRED.—The Secretary shall  
6 conduct a survey of student aid recipients under title  
7 IV on a regular cycle and State-by-State basis, but  
8 not less than once every 4 years—

9 “(A) to identify the population of students  
10 receiving Federal student aid;

11 “(B) to describe the income distribution  
12 and other socioeconomic characteristics of fed-  
13 erally aided students;

14 “(C) to describe the combinations of aid  
15 from State, Federal, and private sources re-  
16 ceived by students from all income groups;

17 “(D) to describe the debt burden of edu-  
18 cational loan recipients and their capacity to  
19 repay their education debts, and the impact of  
20 such debt burden on career choices;

21 “(E) to describe the role played by the  
22 price of postsecondary education in the deter-  
23 mination by students of what institution to at-  
24 tend; and



1           “(F) to describe how the increased costs of  
2           textbooks and other instructional materials af-  
3           fects the costs of postsecondary education to  
4           students.

5           “(2) SURVEY DESIGN.—The survey shall be  
6           representative of full-time and part-time, under-  
7           graduate, graduate, and professional and current  
8           and former students in all types of institutions, and  
9           designed and administered in consultation with the  
10          Congress and the postsecondary education commu-  
11          nity.

12          “(3) DISSEMINATION.—The Secretary shall dis-  
13          seminate the information resulting from the survey  
14          in both printed and electronic form.

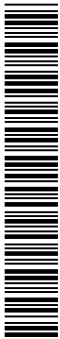
15          “(j) REGULATIONS.—The Secretary is authorized to  
16          issue such regulations as may be necessary to carry out  
17          the provisions of this section.”.

18   **SEC. 109. DATABASES OF STUDENT INFORMATION.**

19          Part C of title I is further amended by adding at the  
20          end the following new section:

21   **“SEC. 132. DATABASES OF STUDENT INFORMATION PRO-**  
22                   **HIBITED.**

23          “(a) PROHIBITION.—Except as described in (b),  
24          nothing in this Act shall be construed to authorize the de-  
25          sign, development, creation, implementation, or mainte-



1 nance of a nationwide database of personally identifiable  
2 information on individuals receiving assistance, attending  
3 institutions receiving assistance, or otherwise involved in  
4 any studies or other collections of data under this Act,  
5 including a student unit record system, an education bar  
6 code system, or any other system that tracks individual  
7 students over time.

8 “(b) EXCEPTION.—The provisions of subsection (a)  
9 shall not affect the loan obligation enforcement activities  
10 described in section 485B of this Act.”.

11 **SEC. 110. PERFORMANCE-BASED ORGANIZATION.**

12 Section 141 (20 U.S.C. 1018) is amended—

13 (1) in subsection (a)(2)(B)—

14 (A) by inserting “unit” after “to reduce  
15 the”; and

16 (B) by inserting “and, to the extent prac-  
17 ticable, the total costs of administering those  
18 programs” after “those programs”;

19 (2) in subsection (c)—

20 (A) in paragraph (1)(A), by striking “Each  
21 year” and inserting “Each fiscal year”;

22 (B) in paragraph (1)(B), by inserting “sec-  
23 ondary markets, guaranty agencies,” after  
24 “lenders,”; and



1 (C) in paragraph (2)(B), by striking  
2 “Chief Financial Officer Act of 1990 and” and  
3 inserting “Chief Financial Officers Act of  
4 1990,” and by inserting before the period at the  
5 end the following: “, and other relevant stat-  
6 utes”; and

7 (3) in subsection (f)(3)(A), by striking “para-  
8 graph (1)(A)” and inserting “paragraph (1)”.

9 **TITLE II—TEACHER**  
10 **PREPARATION**

11 **SEC. 201. TEACHER QUALITY ENHANCEMENT GRANTS.**

12 Part A of title II (20 U.S.C. 1021 et seq.) is amended  
13 to read as follows:

14 **“PART A—TEACHER QUALITY ENHANCEMENT**  
15 **GRANTS FOR STATES AND PARTNERSHIPS**

16 **“SEC. 201. PURPOSES; DEFINITIONS.**

17 “(a) PURPOSES.—The purposes of this part are to—

18 “(1) improve student academic achievement;

19 “(2) improve the quality of the current and fu-  
20 ture teaching force by improving the preparation of  
21 prospective teachers and enhancing professional de-  
22 velopment activities;

23 “(3) hold institutions of higher education ac-  
24 countable for preparing highly qualified teachers;  
25 and



1 “(4) recruit qualified individuals, including mi-  
2 norities and individuals from other occupations, into  
3 the teaching force.

4 “(b) DEFINITIONS.—In this part:

5 “(1) ARTS AND SCIENCES.—The term ‘arts and  
6 sciences’ means—

7 “(A) when referring to an organizational  
8 unit of an institution of higher education, any  
9 academic unit that offers 1 or more academic  
10 majors in disciplines or content areas cor-  
11 responding to the academic subject matter  
12 areas in which teachers provide instruction; and

13 “(B) when referring to a specific academic  
14 subject matter area, the disciplines or content  
15 areas in which academic majors are offered by  
16 the arts and science organizational unit.

17 “(2) EXEMPLARY TEACHER.—The term ‘exem-  
18 plary teacher’ has the meaning given such term in  
19 section 9101 of the Elementary and Secondary Edu-  
20 cation Act of 1965 (20 U.S.C. 7801).

21 “(3) HIGHLY QUALIFIED.—The term ‘highly  
22 qualified’ when used with respect to an individual  
23 means that the individual is highly qualified as de-  
24 termined under section 9101 of the Elementary and  
25 Secondary Education Act of 1965 (20 U.S.C. 7801)



1 or section 602 of the Individuals with Disabilities  
2 Education Act (20 U.S.C. 1401).

3 “(4) HIGH-NEED LOCAL EDUCATIONAL AGEN-  
4 CY.—The term ‘high-need local educational agency’  
5 means a local educational agency—

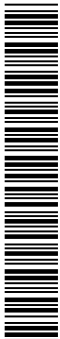
6 “(A)(i)(I) that serves not fewer than  
7 10,000 children from families with incomes  
8 below the poverty line; or

9 “(II) for which not less than 25 percent of  
10 the children served by the agency are from fam-  
11 ilies with incomes below the poverty line;

12 “(ii) that is among those serving the high-  
13 est number or percentage of children from fam-  
14 ilies with incomes below the poverty line in the  
15 State, but this clause applies only in a State  
16 that has no local educational agency meeting  
17 the requirements of clause (i); or

18 “(iii) with a total of less than 600 students  
19 in average daily attendance at the schools that  
20 are served by the agency and all of whose  
21 schools are designated with a school locale code  
22 of 7, as determined by the Secretary; and

23 “(B)(i) for which there is a high percent-  
24 age of teachers not teaching in the academic



1 subjects or grade levels that the teachers were  
2 trained to teach; or

3 “(ii) for which there is a high percentage  
4 of teachers with emergency, provisional, or tem-  
5 porary certification or licensing.

6 “(5) POVERTY LINE.—The term ‘poverty line’  
7 means the poverty line (as defined by the Office of  
8 Management and Budget, and revised annually in  
9 accordance with section 673(2) of the Community  
10 Services Block Grant Act (42 U.S.C. 9902(2))) ap-  
11 plicable to a family of the size involved.

12 “(6) PROFESSIONAL DEVELOPMENT.—The  
13 term ‘professional development’ has the meaning  
14 given such term in section 9101 of the Elementary  
15 and Secondary Education Act of 1965 (20 U.S.C.  
16 7801).

17 “(7) SCIENTIFICALLY BASED READING RE-  
18 SEARCH.—The term ‘scientifically based reading re-  
19 search’ has the meaning given such term in section  
20 1208 of the Elementary and Secondary Education  
21 Act of 1965 (20 U.S.C. 6368).

22 “(8) SCIENTIFICALLY BASED RESEARCH.—The  
23 term ‘scientifically based research’ has the meaning  
24 given such term in section 9101 of the Elementary



1 and Secondary Education Act of 1965 (20 U.S.C.  
2 7801).

3 “(9) TEACHING SKILLS.—The term ‘teaching  
4 skills’ means skills that—

5 “(A) are based on scientifically based re-  
6 search;

7 “(B) enable teachers to effectively convey  
8 and explain subject matter content;

9 “(C) lead to increased student academic  
10 achievement; and

11 “(D) use strategies that—

12 “(i) are specific to subject matter;

13 “(ii) include ongoing assessment of  
14 student learning;

15 “(iii) focus on identification and tai-  
16 loring of academic instruction to students’s  
17 specific learning needs; and

18 “(iv) focus on classroom management.

19 **“SEC. 202. STATE GRANTS.**

20 “(a) IN GENERAL.—From amounts made available  
21 under section 210(1) for a fiscal year, the Secretary is  
22 authorized to award grants under this section, on a com-  
23 petitive basis, to eligible States to enable the eligible  
24 States to carry out the activities described in subsection  
25 (d).



1 “(b) ELIGIBLE STATE.—

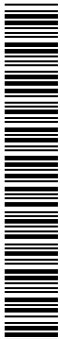
2 “(1) DEFINITION.—In this part, the term ‘eligi-  
3 ble State’ means—

4 “(A) the Governor of a State; or

5 “(B) in the case of a State for which the  
6 constitution or law of such State designates an-  
7 other individual, entity, or agency in the State  
8 to be responsible for teacher certification and  
9 preparation activity, such individual, entity, or  
10 agency.

11 “(2) CONSULTATION.—The Governor or the in-  
12 dividual, entity, or agency designated under para-  
13 graph (1)(B) shall consult with the Governor, State  
14 board of education, State educational agency, or  
15 State agency for higher education, as appropriate,  
16 with respect to the activities assisted under this sec-  
17 tion.

18 “(3) CONSTRUCTION.—Nothing in this sub-  
19 section shall be construed to negate or supersede the  
20 legal authority under State law of any State agency,  
21 State entity, or State public official over programs  
22 that are under the jurisdiction of the agency, entity,  
23 or official.



1       “(c) APPLICATION.—To be eligible to receive a grant  
2 under this section, an eligible State shall submit an appli-  
3 cation to the Secretary that—

4           “(1) meets the requirement of this section;

5           “(2) demonstrates that the State is in full com-  
6 pliance with sections 207 and 208;

7           “(3) includes a description of how the eligible  
8 State intends to use funds provided under this sec-  
9 tion;

10          “(4) includes measurable objectives for the use  
11 of the funds provided under the grant;

12          “(5) demonstrates the State has submitted and  
13 is actively implementing a plan that meets the re-  
14 quirements of sections 1111(h)(1)(C)(viii) and 1119  
15 of the Elementary and Secondary Education Act of  
16 1965 (20 U.S.C. 6311(h)(1)(C)(viii) and 6319); and

17          “(6) contains such other information and assur-  
18 ances as the Secretary may require.

19       “(d) USES OF FUNDS.—An eligible State that re-  
20 ceives a grant under this section shall use the grant funds  
21 to reform teacher preparation requirements, to coordinate  
22 with State activities under section 2113(c) of the Elemen-  
23 tary and Secondary Education Act of 1965 (20 U.S.C.  
24 6613(c)), and to ensure that current and future teachers



1 are highly qualified, by carrying out one or more of the  
2 following activities:

3 “(1) REFORMS.—Ensuring that all teacher  
4 preparation programs in the State are preparing  
5 teachers who are highly qualified, are able to under-  
6 stand scientifically based research and its applica-  
7 bility, and are able to use advanced technology effec-  
8 tively in the classroom, including use for instruc-  
9 tional techniques to improve student academic  
10 achievement, by assisting such programs—

11 “(A) to retrain faculty; and

12 “(B) to design (or redesign) teacher prepa-  
13 ration programs so they—

14 “(i) are based on rigorous academic  
15 content, scientifically based research (in-  
16 cluding scientifically based reading re-  
17 search), and challenging State student aca-  
18 demic content standards; and

19 “(ii) promote strong teaching skills.

20 “(2) CERTIFICATION OR LICENSURE REQUIRE-  
21 MENTS.—Reforming teacher certification (including  
22 recertification) or licensing requirements to ensure  
23 that—

24 “(A) teachers have the subject matter  
25 knowledge and teaching skills in the academic



1 subjects that the teachers teach that are nec-  
2 essary to help students meet challenging State  
3 student academic achievement standards; and

4 “(B) such requirements are aligned with  
5 challenging State academic content standards.

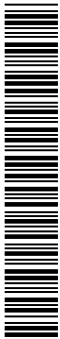
6 “(3) ALTERNATIVES TO TRADITIONAL TEACHER  
7 PREPARATION AND STATE CERTIFICATION.—Pro-  
8 viding prospective teachers with alternative routes to  
9 State certification and traditional preparation to be-  
10 come highly qualified teachers through—

11 “(A) innovative approaches that reduce un-  
12 necessary barriers to State certification while  
13 producing highly qualified teachers;

14 “(B) programs that provide support to  
15 teachers during their initial years in the profes-  
16 sion; and

17 “(C) alternative routes to State certifi-  
18 cation of teachers for qualified individuals, in-  
19 cluding mid-career professionals from other oc-  
20 cupations, former military personnel, and recent  
21 college graduates with records of academic dis-  
22 tinction.

23 “(4) INNOVATIVE PROGRAMS.—Planning and  
24 implementing innovative programs to enhance the  
25 ability of institutions of higher education to prepare



1 highly qualified teachers, such as charter colleges of  
2 education or university and local educational agency  
3 partnership schools, that—

4 “(A) permit flexibility in meeting State re-  
5 quirements as long as graduates, during their  
6 initial years in the profession, increase student  
7 academic achievement;

8 “(B) provide long-term data gathered from  
9 teachers’ performance over multiple years in the  
10 classroom on the ability to increase student aca-  
11 demic achievement;

12 “(C) ensure high-quality preparation of  
13 teachers from underrepresented groups; and

14 “(D) create performance measures that  
15 can be used to document the effectiveness of in-  
16 novative methods for preparing highly qualified  
17 teachers.

18 “(5) MERIT PAY.—Developing, or assisting  
19 local educational agencies in developing—

20 “(A) merit-based performance systems that  
21 reward teachers who increase student academic  
22 achievement; and

23 “(B) strategies that provide differential  
24 and bonus pay in high-need local educational  
25 agencies to retain—



1 “(i) principals;

2 “(ii) highly qualified teachers who  
3 teach in high-need academic subjects, such  
4 as reading, mathematics, and science;

5 “(iii) highly qualified teachers who  
6 teach in schools identified for school im-  
7 provement under section 1116(b) of the  
8 Elementary and Secondary Education Act  
9 of 1965 (20 U.S.C. 6316(b));

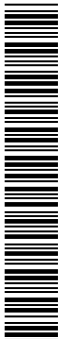
10 “(iv) special education teachers;

11 “(v) teachers specializing in teaching  
12 limited English proficient children; and

13 “(vi) highly qualified teachers in  
14 urban and rural schools or districts.

15 “(6) TEACHER ADVANCEMENT.—Developing, or  
16 assisting local educational agencies in developing,  
17 teacher advancement and retention initiatives that  
18 promote professional growth and emphasize multiple  
19 career paths (such as paths to becoming a highly  
20 qualified mentor teacher or exemplary teacher) and  
21 pay differentiation.

22 “(7) TEACHER REMOVAL.—Developing and im-  
23 plementing effective mechanisms to ensure that local  
24 educational agencies and schools are able to remove  
25 expeditiously incompetent or unqualified teachers



1 consistent with procedures to ensure due process for  
2 the teachers.

3 “(8) TECHNICAL ASSISTANCE.—Providing tech-  
4 nical assistance to low-performing teacher prepara-  
5 tion programs within institutions of higher education  
6 identified under section 208(a).

7 “(9) TEACHER EFFECTIVENESS.—Developing—

8 “(A) systems to measure the effectiveness  
9 of teacher preparation programs and profes-  
10 sional development programs; and

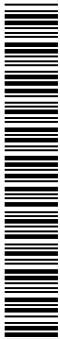
11 “(B) strategies to document gains in stu-  
12 dent academic achievement or increases in  
13 teacher mastery of the academic subjects the  
14 teachers teach as a result of such programs.

15 “(10) TEACHER RECRUITMENT AND RETEN-  
16 TION.—Undertaking activities that—

17 “(A) develop and implement effective  
18 mechanisms to ensure that local educational  
19 agencies and schools are able effectively to re-  
20 cruit and retain highly qualified teachers; or

21 “(B) are described in section 204(d).

22 “(11) PRESCHOOL TEACHERS.—Developing  
23 strategies—



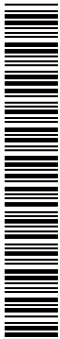
1                   “(A) to improve the qualifications of pre-  
2                   school teachers, which may include State certifi-  
3                   cation for such teachers; and

4                   “(B) to improve and expand preschool  
5                   teacher preparation programs.

6                   “(12) GIFTED AND TALENTED STUDENTS.—In-  
7                   corporating the learning needs of gifted and talented  
8                   students into the activities described in paragraph  
9                   (1), (2), or (3) in order to ensure that new teachers  
10                  possess the basic knowledge and skills necessary to  
11                  meet the educational needs of gifted and talented  
12                  students.

13                  “(13) NEW-TEACHER MENTORING ON THE  
14                  NEEDS OF GIFTED AND TALENTED STUDENTS.—  
15                  Establishing or expanding new-teacher mentoring  
16                  and assessment programs (including induction and  
17                  evaluation programs) that are a part of a licensure  
18                  process which is designed to demonstrate that new  
19                  teachers possess basic knowledge of the classroom  
20                  indicators of giftedness, are able to identify student  
21                  learning differences among gifted students, and are  
22                  able to provide instruction to accommodate such dif-  
23                  ferences.

24                  “(e) EVALUATION.—



1           “(1) EVALUATION SYSTEM.—An eligible State  
2           that receives a grant under this section shall develop  
3           and utilize a system to evaluate annually the effective-  
4           ness of teacher preparation programs and profes-  
5           sional development activities within the State in pro-  
6           ducing gains in—

7                   “(A) the teacher’s annual contribution to  
8           improving student academic achievement, as  
9           measured by State academic assessments re-  
10          quired under section 1111(b)(3) of the Elemen-  
11          tary and Secondary Education Act of 1965 (20  
12          U.S.C. 6311(b)(3)); and

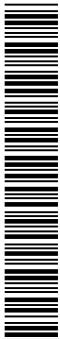
13                   “(B) teacher mastery of the academic sub-  
14          jects they teach, as measured by pre- and post-  
15          participation tests of teacher knowledge, as ap-  
16          propriate.

17           “(2) USE OF EVALUATION SYSTEM.—Such eval-  
18          uation system shall be used by the State to  
19          evaluate—

20                   “(A) activities carried out using funds pro-  
21          vided under this section; and

22                   “(B) the quality of its teacher education  
23          programs.

24           “(3) PUBLIC REPORTING.—The State shall  
25          make the information described in paragraph (1)



1 widely available through public means, such as post-  
2 ing on the Internet, distribution to the media, and  
3 distribution through public agencies.

4 **“SEC. 203. PARTNERSHIP GRANTS.**

5 “(a) GRANTS.—From amounts made available under  
6 section 210(2) for a fiscal year, the Secretary is author-  
7 ized to award grants under this section, on a competitive  
8 basis, to eligible partnerships to enable the eligible part-  
9 nerships to carry out the activities described in subsections  
10 (d) and (e).

11 “(b) DEFINITIONS.—

12 “(1) ELIGIBLE PARTNERSHIPS.—In this part,  
13 the term ‘eligible partnership’ means an entity  
14 that—

15 “(A) shall include—

16 “(i) a partner institution;

17 “(ii) a school of arts and sciences;

18 “(iii) a high-need local educational  
19 agency; and

20 “(iv) a public or private educational  
21 organization; and

22 “(B) may include a Governor, State edu-  
23 cational agency, the State board of education,  
24 the State agency for higher education, an insti-  
25 tution of higher education not described in sub-



1 paragraph (A), a public charter school, a public  
2 or private elementary school or secondary  
3 school, a public or private educational organiza-  
4 tion, a business, a science-, mathematics-, or  
5 technology-oriented entity, a faith-based or  
6 community organization, a prekindergarten pro-  
7 gram, a teacher organization, an education  
8 service agency, a consortia of local educational  
9 agencies, or a nonprofit telecommunications en-  
10 tity.

11 “(2) PARTNER INSTITUTION.—In this section,  
12 the term ‘partner institution’ means an institution of  
13 higher education, the teacher training program of  
14 which demonstrates that—

15 “(A) graduates from the teacher training  
16 program exhibit strong performance on State-  
17 determined qualifying assessments for new  
18 teachers through—

19 “(i) demonstrating that the graduates  
20 of the program who intend to enter the  
21 field of teaching have passed all of the ap-  
22 plicable State qualification assessments for  
23 new teachers, which shall include an as-  
24 sessment of each prospective teacher’s sub-  
25 ject matter knowledge in the content area



1 or areas in which the teacher intends to  
2 teach; or

3 “(ii) being ranked among the highest-  
4 performing teacher preparation programs  
5 in the State as determined by the State—

6 “(I) using criteria consistent with  
7 the requirements for the State report  
8 card under section 207(a); and

9 “(II) using the State report card  
10 on teacher preparation required under  
11 section 207(a); or

12 “(B) the teacher training program requires  
13 all the students of the program to participate in  
14 intensive clinical experience, to meet high aca-  
15 demic standards, and—

16 “(i) in the case of secondary school  
17 candidates, to successfully complete an  
18 academic major in the subject area in  
19 which the candidate intends to teach or to  
20 demonstrate competence through a high  
21 level of performance in relevant content  
22 areas; and

23 “(ii) in the case of elementary school  
24 candidates, to successfully complete an  
25 academic major in the arts and sciences or

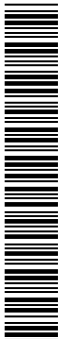


1 to demonstrate competence through a high  
2 level of performance in core academic sub-  
3 ject areas.

4 “(c) APPLICATION.—Each eligible partnership desir-  
5 ing a grant under this section shall submit an application  
6 to the Secretary at such time, in such manner, and accom-  
7 panied by such information as the Secretary may require.  
8 Each such application shall—

9 “(1) contain a needs assessment of all the part-  
10 ners with respect to teaching and learning and a de-  
11 scription of how the partnership will coordinate with  
12 other teacher training or professional development  
13 programs, and how the activities of the partnership  
14 will be consistent with State, local, and other edu-  
15 cation reform activities that promote student aca-  
16 demic achievement;

17 “(2) contain a resource assessment that de-  
18 scribes the resources available to the partnership,  
19 the intended use of the grant funds, including a de-  
20 scription of how the grant funds will be used in ac-  
21 cordance with subsection (f), and the commitment of  
22 the resources of the partnership to the activities as-  
23 sisted under this part, including financial support,  
24 faculty participation, time commitments, and con-  
25 tinuation of the activities when the grant ends;



1 “(3) contain a description of—

2 “(A) how the partnership will meet the  
3 purposes of this part;

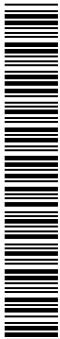
4 “(B) how the partnership will carry out  
5 the activities required under subsection (d) and  
6 any permissible activities under subsection (e);

7 “(C) the partnership’s evaluation plan pur-  
8 suant to section 206(b);

9 “(D) how faculty of the teacher prepara-  
10 tion program at the partner institution will  
11 serve, over the term of the grant, with highly  
12 qualified teachers in the classrooms of the high-  
13 need local educational agency included in the  
14 partnership;

15 “(E) how the partnership will ensure that  
16 teachers, principals, and superintendents in pri-  
17 vate elementary and secondary schools located  
18 in the geographic areas served by an eligible  
19 partnership under this section will participate  
20 equitably in accordance with section 9501 of  
21 the Elementary and Secondary Education Act  
22 of 1965 (20 U.S.C. 7881);

23 “(F) how the partnership will design and  
24 implement a clinical program component that  
25 includes close supervision of student teachers by



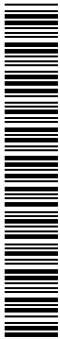
1 faculty of the teacher preparation program at  
2 the partner institution and mentor teachers;

3 “(G) how the partnership will design and  
4 implement an induction program to support all  
5 new teachers through the first 3 years of teach-  
6 ing that includes mentors who are trained and  
7 compensated by the partnership for their work  
8 with new teachers; and

9 “(H) how the partnership will collect, ana-  
10 lyze, and use data on the retention of all teach-  
11 ers in schools located in the geographic areas  
12 served by the partnership to evaluate the effec-  
13 tiveness of its teacher support system; and

14 “(4) contain a certification from the high-need  
15 local educational agency included in the partnership  
16 that it has reviewed the application and determined  
17 that the grant proposed will comply with subsection  
18 (f).

19 “(d) REQUIRED USES OF FUNDS.—An eligible part-  
20 nership that receives a grant under this section shall use  
21 the grant funds to reform teacher preparation require-  
22 ments, to coordinate with State activities under section  
23 2113(c) of the Elementary and Secondary Education Act  
24 of 1965 (20 U.S.C. 6613(c)), and to ensure that current



1 and future teachers are highly qualified, by carrying out  
2 one or more of the following activities:

3 “(1) REFORMS.—Implementing reforms within  
4 teacher preparation programs to ensure that such  
5 programs are preparing teachers who are highly  
6 qualified, are able to understand scientifically based  
7 research and its applicability, and are able to use  
8 advanced technology effectively in the classroom, in-  
9 cluding use for instructional techniques to improve  
10 student academic achievement, by—

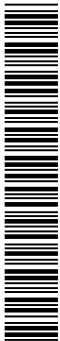
11 “(A) retraining faculty; and

12 “(B) designing (or redesigning) teacher  
13 preparation programs so they—

14 “(i) are based on rigorous academic  
15 content, scientifically based research (in-  
16 cluding scientifically based reading re-  
17 search), and challenging State student aca-  
18 demic content standards; and

19 “(ii) promote strong teaching skills.

20 “(2) CLINICAL EXPERIENCE AND INTER-  
21 ACTION.—Providing sustained and high-quality  
22 preservice and in-service clinical experience, includ-  
23 ing the mentoring of prospective teachers by exem-  
24 plary teachers, substantially increasing interaction  
25 between faculty at institutions of higher education



1 and new and experienced teachers, principals, and  
2 other administrators at elementary schools or sec-  
3 ondary schools, and providing support for teachers,  
4 including preparation time and release time, for such  
5 interaction.

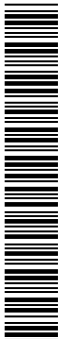
6 “(3) PROFESSIONAL DEVELOPMENT.—Creating  
7 opportunities for enhanced and ongoing professional  
8 development that improves the academic content  
9 knowledge of teachers in the subject areas in which  
10 the teachers are certified to teach or in which the  
11 teachers are working toward certification to teach,  
12 and that promotes strong teaching skills.

13 “(4) TEACHER PREPARATION.—Developing, or  
14 assisting local educational agencies in developing,  
15 professional development activities that—

16 “(A) provide training in how to teach and  
17 address the needs of students with different  
18 learning styles, particularly students with dis-  
19 abilities, limited English proficient students,  
20 gifted and talented students, and students with  
21 special learning needs; and

22 “(B) provide training in methods of—

23 “(i) improving student behavior in the  
24 classroom; and



1 “(ii) identifying early and appropriate  
2 interventions to help students described in  
3 subparagraph (A) learn.

4 “(e) ALLOWABLE USES OF FUNDS.—An eligible  
5 partnership that receives a grant under this section may  
6 use such funds to carry out the following activities:

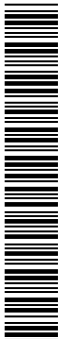
7 “(1) ALTERNATIVES TO TRADITIONAL TEACHER  
8 PREPARATION AND STATE CERTIFICATION.—Pro-  
9 viding prospective teachers with alternative routes to  
10 State certification and traditional preparation to be-  
11 come highly qualified teachers through—

12 “(A) innovative approaches that reduce un-  
13 necessary barriers to teacher preparation while  
14 producing highly qualified teachers;

15 “(B) programs that provide support during  
16 a teacher’s initial years in the profession; and

17 “(C) alternative routes to State certifi-  
18 cation of teachers for qualified individuals, in-  
19 cluding mid-career professionals from other oc-  
20 cupations, former military personnel, and recent  
21 college graduates with records of academic dis-  
22 tinction.

23 “(2) DISSEMINATION AND COORDINATION.—  
24 Broadly disseminating information on effective prac-  
25 tices used by the partnership, and coordinating with



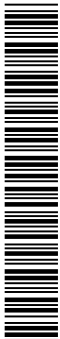
1 the activities of the Governor, State board of edu-  
2 cation, State higher education agency, and State  
3 educational agency, as appropriate.

4 “(3) MANAGERIAL AND LEADERSHIP SKILLS.—  
5 Developing and implementing professional develop-  
6 ment programs for principals and superintendents  
7 that enable them to be effective school leaders and  
8 prepare all students to meet challenging State aca-  
9 demic content and student academic achievement  
10 standards.

11 “(4) TEACHER RECRUITMENT.—Activities—  
12 “(A) to encourage students to become  
13 highly qualified teachers, such as extra-  
14 curricular enrichment activities; and

15 “(B) activities described in section 204(d).

16 “(5) CLINICAL EXPERIENCE IN SCIENCE, MATH-  
17 EMATICS, AND TECHNOLOGY.—Creating opportuni-  
18 ties for clinical experience and training, by participa-  
19 tion in the business, research, and work environ-  
20 ments with professionals, in areas relating to  
21 science, mathematics, and technology for teachers  
22 and prospective teachers, including opportunities for  
23 use of laboratory equipment, in order for the teacher  
24 to return to the classroom for at least 2 years and



1 provide instruction that will raise student academic  
2 achievement.

3 “(6) COORDINATION WITH COMMUNITY COL-  
4 LEGES.—Coordinating with community colleges to  
5 implement teacher preparation programs, including  
6 through distance learning, for the purposes of allow-  
7 ing prospective teachers—

8 “(A) to attain a bachelor’s degree and  
9 State certification or licensure; and

10 “(B) to become highly qualified teachers.

11 “(7) TEACHER MENTORING.—Establishing or  
12 implementing a teacher mentoring program that—

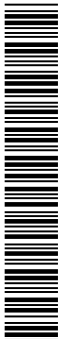
13 “(A) includes minimum qualifications for  
14 mentors;

15 “(B) provides training and stipends for  
16 mentors;

17 “(C) provides mentoring programs for  
18 teachers in their first 3 years of teaching;

19 “(D) provides regular and ongoing oppor-  
20 tunities for mentors and mentees to observe  
21 each other’s teaching methods in classroom set-  
22 tings during the school day;

23 “(E) establishes an evaluation and ac-  
24 countability plan for activities conducted under



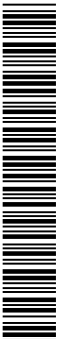
1           this paragraph that includes rigorous objectives  
2           to measure the impact of such activities; and

3           “(F) provides for a report to the Secretary  
4           on an annual basis regarding the partnership’s  
5           progress in meeting the objectives described in  
6           subparagraph (E).

7           “(8) COMPUTER SOFTWARE FOR MULTI-  
8           LINGUAL EDUCATION.—Training teachers to use  
9           computer software for multilingual education to ad-  
10          dress the needs of limited English proficient stu-  
11          dents.

12          “(9) GIFTED AND TALENTED STUDENTS.—In-  
13          creasing the knowledge and skills of preservice  
14          teachers participating in activities under subsection  
15          (d) in the educational and related needs of gifted  
16          and talented students by, among other strategies, in-  
17          fusing teacher coursework with units on the charac-  
18          teristics of high-ability learners, using assessments  
19          to identify preexisting knowledge and skills among  
20          students, and developing teaching strategies that are  
21          driven by the learner’s progress.

22          “(f) SPECIAL RULE.—At least 50 percent of the  
23          funds made available to an eligible partnership under this  
24          section shall be used directly to benefit the high-need local  
25          educational agency included in the partnership. Any entity



1 described in subsection (b)(1)(A) may be the fiscal agent  
2 under this section.

3 “(g) CONSTRUCTION.—Nothing in this section shall  
4 be construed to prohibit an eligible partnership from using  
5 grant funds to coordinate with the activities of more than  
6 one Governor, State board of education, State educational  
7 agency, local educational agency, or State agency for high-  
8 er education.

9 “(h) SUPPLEMENT, NOT SUPPLANT.—Funds made  
10 available under this section shall be used to supplement,  
11 and not supplant, other Federal, State, and local funds  
12 that would otherwise be expended to carry out the pur-  
13 poses of this section.

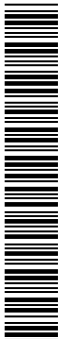
14 **“SEC. 204. TEACHER RECRUITMENT GRANTS.**

15 “(a) PROGRAM AUTHORIZED.—From amounts made  
16 available under section 210(3) for a fiscal year, the Sec-  
17 retary is authorized to award grants, on a competitive  
18 basis, to eligible applicants to enable the eligible applicants  
19 to carry out activities described in subsection (d).

20 “(b) ELIGIBLE APPLICANT DEFINED.—In this part,  
21 the term ‘eligible applicant’ means—

22 “(1) an eligible State described in section  
23 202(b); or

24 “(2) an eligible partnership described in section  
25 203(b).



1       “(c) APPLICATION.—Any eligible applicant desiring  
2 to receive a grant under this section shall submit an appli-  
3 cation to the Secretary at such time, in such form, and  
4 containing such information as the Secretary may require,  
5 including—

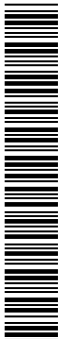
6               “(1) a description of the assessment that the el-  
7 ible applicant, and the other entities with whom  
8 the eligible applicant will carry out the grant activi-  
9 ties, have undertaken to determine the most critical  
10 needs of the participating high-need local edu-  
11 cational agencies;

12               “(2) a description of the activities the eligible  
13 applicant will carry out with the grant, including the  
14 extent to which the applicant will use funds to re-  
15 cruit minority students to become highly qualified  
16 teachers; and

17               “(3) a description of the eligible applicant’s  
18 plan for continuing the activities carried out with  
19 the grant, once Federal funding ceases.

20       “(d) USES OF FUNDS.—Each eligible applicant re-  
21 ceiving a grant under this section shall use the grant  
22 funds—

23               “(1)(A) to award scholarships to help students,  
24 such as individuals who have been accepted for their  
25 first year, or who are enrolled in their first or second



1 year, of a program of undergraduate education at an  
2 institution of higher education, pay the costs of tui-  
3 tion, room, board, and other expenses of completing  
4 a teacher preparation program;

5 “(B) to provide support services, if needed to  
6 enable scholarship recipients—

7 “(i) to complete postsecondary education  
8 programs; or

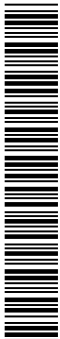
9 “(ii) to transition from a career outside of  
10 the field of education into a teaching career;  
11 and

12 “(C) for followup services provided to former  
13 scholarship recipients during the recipients first 3  
14 years of teaching; or

15 “(2) to develop and implement effective mecha-  
16 nisms to ensure that high-need local educational  
17 agencies and schools are able effectively to recruit  
18 highly qualified teachers.

19 “(e) ADDITIONAL DISCRETIONARY USES OF  
20 FUNDS.—In addition to the uses described in subsection  
21 (d), each eligible applicant receiving a grant under this  
22 section may use the grant funds—

23 “(1) to develop and implement effective mecha-  
24 nisms to recruit into the teaching profession employ-  
25 ees from—



1                   “(A) high-demand industries, including  
2                   technology industries; and

3                   “(B) the fields of science, mathematics,  
4                   and engineering;

5                   “(2) to conduct outreach and coordinate with  
6                   inner city and rural secondary schools to encourage  
7                   students to pursue teaching as a career; and

8                   “(3) to develop and implement dual degree pro-  
9                   grams that enable students at institutions of higher  
10                  education to earn two undergraduate degrees con-  
11                  currently, one of such degrees being in education  
12                  and the other in the subject matter of the student’s  
13                  choosing.

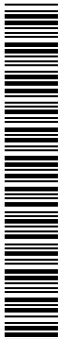
14                  “(f) SERVICE REQUIREMENTS.—

15                  “(1) IN GENERAL.—The Secretary shall estab-  
16                  lish such requirements as the Secretary determines  
17                  necessary to ensure that recipients of scholarships  
18                  under this section who complete teacher education  
19                  programs—

20                  “(A) subsequently teach in a high-need  
21                  local educational agency for a period of time  
22                  equivalent to—

23                          “(i) one year; increased by

24                          “(ii) the period for which the recipient  
25                          received scholarship assistance; or



1 “(B) repay the amount of the scholarship.

2 “(2) USE OF REPAYMENTS.—The Secretary  
3 shall use any such repayments to carry out addi-  
4 tional activities under this section.

5 “(g) PRIORITY.—The Secretary shall give priority  
6 under this section to eligible applicants who provide an  
7 assurance that they will recruit a high percentage of mi-  
8 nority students to become highly qualified teachers.

9 **“SEC. 205. ADMINISTRATIVE PROVISIONS.**

10 “(a) DURATION; ONE-TIME AWARDS; PAYMENTS.—

11 “(1) DURATION.—

12 “(A) ELIGIBLE STATES AND ELIGIBLE AP-  
13 PPLICANTS.—Grants awarded to eligible States  
14 and eligible applicants under this part shall be  
15 awarded for a period not to exceed 3 years.

16 “(B) ELIGIBLE PARTNERSHIPS.—Grants  
17 awarded to eligible partnerships under this part  
18 shall be awarded for a period of 5 years.

19 “(2) ONE-TIME AWARD.—An eligible partner-  
20 ship may receive a grant under each of sections 203  
21 and 204, as amended by the College Access and Op-  
22 portunity Act of 2005, only once.

23 “(3) PAYMENTS.—The Secretary shall make  
24 annual payments of grant funds awarded under this  
25 part.



1 “(b) PEER REVIEW.—

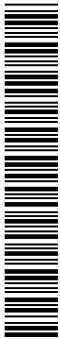
2 “(1) PANEL.—The Secretary shall provide the  
3 applications submitted under this part to a peer re-  
4 view panel for evaluation. With respect to each ap-  
5 plication, the peer review panel shall initially rec-  
6 ommend the application for funding or for dis-  
7 approval.

8 “(2) PRIORITY.—In recommending applications  
9 to the Secretary for funding under this part, the  
10 panel shall—

11 “(A) with respect to grants under section  
12 202, give priority to eligible States that—

13 “(i) have initiatives to reform State  
14 teacher certification requirements that are  
15 based on rigorous academic content, sci-  
16 entifically based research, including sci-  
17 entifically based reading research, and  
18 challenging State student academic content  
19 standards;

20 “(ii) have innovative reforms to hold  
21 institutions of higher education with teach-  
22 er preparation programs accountable for  
23 preparing teachers who are highly qualified  
24 and have strong teaching skills; or



1 “(iii) have innovative efforts aimed at  
2 reducing the shortage of highly qualified  
3 teachers in high poverty urban and rural  
4 areas; and

5 “(B) with respect to grants under section  
6 203—

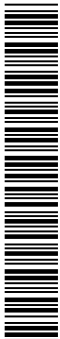
7 “(i) give priority to applications from  
8 broad-based eligible partnerships that in-  
9 volve businesses and community organiza-  
10 tions; and

11 “(ii) take into consideration—

12 “(I) providing an equitable geo-  
13 graphic distribution of the grants  
14 throughout the United States; and

15 “(II) the potential of the pro-  
16 posed activities for creating improve-  
17 ment and positive change.

18 “(3) SECRETARIAL SELECTION.—The Secretary  
19 shall determine, based on the peer review process,  
20 which application shall receive funding and the  
21 amounts of the grants. In determining grant  
22 amounts, the Secretary shall take into account the  
23 total amount of funds available for all grants under  
24 this part and the types of activities proposed to be  
25 carried out.



1 “(c) MATCHING REQUIREMENTS.—

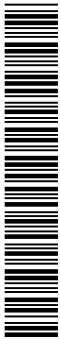
2 “(1) STATE GRANTS.—Each eligible State re-  
3 ceiving a grant under section 202 or 204 shall pro-  
4 vide, from non-Federal sources, an amount equal to  
5 50 percent of the amount of the grant (in cash or  
6 in kind) to carry out the activities supported by the  
7 grant.

8 “(2) PARTNERSHIP GRANTS.—Each eligible  
9 partnership receiving a grant under section 203 or  
10 204 shall provide, from non-Federal sources (in cash  
11 or in kind), an amount equal to 25 percent of the  
12 grant for the first year of the grant, 35 percent of  
13 the grant for the second year of the grant, and 50  
14 percent of the grant for each succeeding year of the  
15 grant.

16 “(d) LIMITATION ON ADMINISTRATIVE EXPENSES.—  
17 An eligible State or eligible partnership that receives a  
18 grant under this part may not use more than 2 percent  
19 of the grant funds for purposes of administering the grant.

20 **“SEC. 206. ACCOUNTABILITY AND EVALUATION.**

21 “(a) STATE GRANT ACCOUNTABILITY REPORT.—An  
22 eligible State that receives a grant under section 202 shall  
23 submit an annual accountability report to the Secretary,  
24 the Committee on Health, Education, Labor, and Pen-  
25 sions of the Senate, and the Committee on Education and



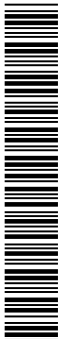
1 the Workforce of the House of Representatives. Such re-  
2 port shall include a description of the degree to which the  
3 eligible State, in using funds provided under such section,  
4 has made substantial progress in meeting the following  
5 goals:

6           “(1) PERCENTAGE OF HIGHLY QUALIFIED  
7       TEACHERS.—Increasing the percentage of highly  
8       qualified teachers in the State as required by section  
9       1119 of the Elementary and Secondary Education  
10      Act of 1965 (20 U.S.C. 6319) and section 602 of  
11      the Individuals with Disabilities Act (20 U.S.C.  
12      1401).

13           “(2) STUDENT ACADEMIC ACHIEVEMENT.—In-  
14      creasing student academic achievement for all stu-  
15      dents, which may be measured through the use of  
16      value-added assessments, as defined by the eligible  
17      State.

18           “(3) RAISING STANDARDS.—Raising the State  
19      academic standards required to enter the teaching  
20      profession as a highly qualified teacher.

21           “(4) INITIAL CERTIFICATION OR LICENSURE.—  
22      Increasing success in the pass rate for initial State  
23      teacher certification or licensure, or increasing the  
24      numbers of qualified individuals being certified or li-



1 censed as teachers through alternative routes to cer-  
2 tification and licensure.

3 “(5) DECREASING TEACHER SHORTAGES.—De-  
4 creasing shortages of highly qualified teachers in  
5 poor urban and rural areas.

6 “(6) INCREASING OPPORTUNITIES FOR RE-  
7 SEARCH-BASED PROFESSIONAL DEVELOPMENT.—In-  
8 creasing opportunities for enhanced and ongoing  
9 professional development that—

10 “(A) improves the academic content knowl-  
11 edge of teachers in the subject areas in which  
12 the teachers are certified or licensed to teach or  
13 in which the teachers are working toward cer-  
14 tification or licensure to teach; and

15 “(B) promotes strong teaching skills.

16 “(7) TECHNOLOGY INTEGRATION.—Increasing  
17 the number of teachers prepared effectively to inte-  
18 grate technology into curricula and instruction and  
19 who use technology to collect, manage, and analyze  
20 data to improve teaching, learning, decisionmaking,  
21 and parental involvement for the purpose of increas-  
22 ing student academic achievement.

23 “(b) ELIGIBLE PARTNERSHIP EVALUATION.—Each  
24 eligible partnership applying for a grant under section 203  
25 shall establish, and include in the application submitted



1 under section 203(c), an evaluation plan that includes  
2 strong performance objectives. The plan shall include ob-  
3 jectives and measures for—

4 “(1) increased student achievement for all stu-  
5 dents, as measured by the partnership;

6 “(2) increased teacher retention in the first 3  
7 years of a teacher’s career;

8 “(3) increased success in the pass rate for ini-  
9 tial State certification or licensure of teachers;

10 “(4) increased percentage of highly qualified  
11 teachers; and

12 “(5) increasing the number of teachers trained  
13 effectively to integrate technology into curricula and  
14 instruction and who use technology to collect, man-  
15 age, and analyze data to improve teaching, learning,  
16 and decisionmaking for the purpose of improving  
17 student academic achievement.

18 “(c) REVOCATION OF GRANT.—

19 “(1) REPORT.—Each eligible State or eligible  
20 partnership receiving a grant under section 202 or  
21 203 shall report annually on the progress of the eli-  
22 gible State or eligible partnership toward meeting  
23 the purposes of this part and the goals, objectives,  
24 and measures described in subsections (a) and (b).

25 “(2) REVOCATION.—



1                   “(A) ELIGIBLE STATES AND ELIGIBLE AP-  
2                   PLICANTS.—If the Secretary determines that an  
3                   eligible State or eligible applicant is not making  
4                   substantial progress in meeting the purposes,  
5                   goals, objectives, and measures, as appropriate,  
6                   by the end of the second year of a grant under  
7                   this part, then the grant payment shall not be  
8                   made for the third year of the grant.

9                   “(B) ELIGIBLE PARTNERSHIPS.—If the  
10                  Secretary determines that an eligible partner-  
11                  ship is not making substantial progress in  
12                  meeting the purposes, goals, objectives, and  
13                  measures, as appropriate, by the end of the  
14                  third year of a grant under this part, then the  
15                  grant payments shall not be made for any suc-  
16                  ceeding year of the grant.

17               “(d) EVALUATION AND DISSEMINATION.—The Sec-  
18               retary shall evaluate the activities funded under this part  
19               and report annually the Secretary’s findings regarding the  
20               activities to the Committee on Health, Education, Labor,  
21               and Pensions of the Senate and the Committee on Edu-  
22               cation and the Workforce of the House of Representatives.  
23               The Secretary shall broadly disseminate successful prac-  
24               tices developed by eligible States and eligible partnerships



1 under this part, and shall broadly disseminate information  
2 regarding such practices that were found to be ineffective.

3 **“SEC. 207. ACCOUNTABILITY FOR PROGRAMS THAT PRE-**  
4 **PARE TEACHERS.**

5 “(a) STATE REPORT CARD ON THE QUALITY OF  
6 TEACHER PREPARATION.—Each State that receives funds  
7 under this Act shall provide to the Secretary annually, in  
8 a uniform and comprehensible manner that conforms with  
9 the definitions and methods established by the Secretary,  
10 a State report card on the quality of teacher preparation  
11 in the State, both for traditional certification or licensure  
12 programs and for alternative certification or licensure pro-  
13 grams, which shall include at least the following:

14 “(1) A description of the teacher certification  
15 and licensure assessments, and any other certifi-  
16 cation and licensure requirements, used by the  
17 State.

18 “(2) The standards and criteria that prospec-  
19 tive teachers must meet in order to attain initial  
20 teacher certification or licensure and to be certified  
21 or licensed to teach particular subjects or in par-  
22 ticular grades within the State.

23 “(3) A description of the extent to which the  
24 assessments and requirements described in para-

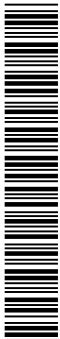


1 graph (1) are aligned with the State's standards and  
2 assessments for students.

3 “(4) The percentage of students who have com-  
4 pleted at least 50 percent of the requirements for a  
5 teacher preparation program at an institution of  
6 higher education or alternative certification program  
7 and who have taken and passed each of the assess-  
8 ments used by the State for teacher certification and  
9 licensure, and the passing score on each assessment  
10 that determines whether a candidate has passed that  
11 assessment.

12 “(5) For students who have completed at least  
13 50 percent of the requirements for a teacher prepa-  
14 ration program at an institution of higher education  
15 or alternative certification program, and who have  
16 taken and passed each of the assessments used by  
17 the State for teacher certification and licensure,  
18 each such institution's and each such program's av-  
19 erage raw score, ranked by teacher preparation pro-  
20 gram, which shall be made available widely and pub-  
21 licly.

22 “(6) A description of each State's alternative  
23 routes to teacher certification, if any, and the num-  
24 ber and percentage of teachers certified through



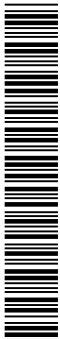
1 each alternative certification route who pass State  
2 teacher certification or licensure assessments.

3 “(7) For each State, a description of proposed  
4 criteria for assessing the performance of teacher  
5 preparation programs in the State, including indica-  
6 tors of teacher candidate skills, academic content  
7 knowledge, and evidence of gains in student aca-  
8 demic achievement.

9 “(8) For each teacher preparation program in  
10 the State, the number of students in the program,  
11 the average number of hours of supervised practice  
12 teaching required for those in the program, and the  
13 number of full-time equivalent faculty and students  
14 in supervised practice teaching.

15 “(b) REPORT OF THE SECRETARY ON THE QUALITY  
16 OF TEACHER PREPARATION.—

17 “(1) REPORT CARD.—The Secretary shall pro-  
18 vide to Congress, and publish and make widely avail-  
19 able, a report card on teacher qualifications and  
20 preparation in the United States, including all the  
21 information reported in paragraphs (1) through (8)  
22 of subsection (a). Such report shall identify which el-  
23 igible States received a grant under this part, and  
24 the States in which eligible partnerships receiving



1 grants are located. Such report shall be published  
2 and made available annually.

3 “(2) REPORT TO CONGRESS.—The Secretary  
4 shall report to Congress—

5 “(A) a comparison of States’ efforts to im-  
6 prove teaching quality; and

7 “(B) regarding the national mean and me-  
8 dian scores on any standardized test that is  
9 used in more than 1 State for teacher certifi-  
10 cation or licensure.

11 “(3) SPECIAL RULE.—In the case of programs  
12 with fewer than 10 students who have completed at  
13 least 50 percent of the requirements for a teacher  
14 preparation program taking any single initial teacher  
15 certification or licensure assessment during an aca-  
16 demic year, the Secretary shall collect and publish  
17 information with respect to an average pass rate on  
18 State certification or licensure assessments taken  
19 over a 3-year period.

20 “(c) COORDINATION.—The Secretary, to the extent  
21 practicable, shall coordinate the information collected and  
22 published under this part among States for individuals  
23 who took State teacher certification or licensure assess-  
24 ments in a State other than the State in which the indi-  
25 vidual received the individual’s most recent degree.



1 “(d) INSTITUTION AND PROGRAM REPORT CARDS ON  
2 QUALITY OF TEACHER PREPARATION.—

3 “(1) REPORT CARD.—Each institution of higher  
4 education or alternative certification program that  
5 conducts a teacher preparation program that enrolls  
6 students receiving Federal assistance under this Act  
7 shall report annually to the State and the general  
8 public, in a uniform and comprehensible manner  
9 that conforms with the definitions and methods es-  
10 tablished by the Secretary, both for traditional cer-  
11 tification or licensure programs and for alternative  
12 certification or licensure programs, the following in-  
13 formation:

14 “(A) PASS RATE.—(i) For the most recent  
15 year for which the information is available, the  
16 pass rate of each student who has completed at  
17 least 50 percent of the requirements for the  
18 teacher preparation program on the teacher cer-  
19 tification or licensure assessments of the State  
20 in which the institution is located, but only for  
21 those students who took those assessments  
22 within 3 years of receiving a degree from the  
23 institution or completing the program.

24 “(ii) A comparison of the institution or  
25 program’s pass rate for students who have com-

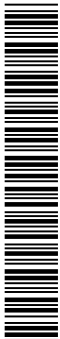


1           pleted at least 50 percent of the requirements  
2           for the teacher preparation program with the  
3           average pass rate for institutions and programs  
4           in the State.

5           “(iii) A comparison of the institution or  
6           program’s average raw score for students who  
7           have completed at least 50 percent of the re-  
8           quirements for the teacher preparation program  
9           with the average raw scores for institutions and  
10          programs in the State.

11          “(iv) In the case of programs with fewer  
12          than 10 students who have completed at least  
13          50 percent of the requirements for a teacher  
14          preparation program taking any single initial  
15          teacher certification or licensure assessment  
16          during an academic year, the institution shall  
17          collect and publish information with respect to  
18          an average pass rate on State certification or li-  
19          censure assessments taken over a 3-year period.

20          “(B) PROGRAM INFORMATION.—The num-  
21          ber of students in the program, the average  
22          number of hours of supervised practice teaching  
23          required for those in the program, and the  
24          number of full-time equivalent faculty and stu-  
25          dents in supervised practice teaching.



1                   “(C) STATEMENT.—In States that require  
2                   approval or accreditation of teacher education  
3                   programs, a statement of whether the institu-  
4                   tion’s program is so approved or accredited,  
5                   and by whom.

6                   “(D) DESIGNATION AS LOW-PER-  
7                   FORMING.—Whether the program has been des-  
8                   ignated as low-performing by the State under  
9                   section 208(a).

10                  “(2) REQUIREMENT.—The information de-  
11                  scribed in paragraph (1) shall be reported through  
12                  publications such as school catalogs and promotional  
13                  materials sent to potential applicants, secondary  
14                  school guidance counselors, and prospective employ-  
15                  ers of the institution’s program graduates, including  
16                  materials sent by electronic means.

17                  “(3) FINES.—In addition to the actions author-  
18                  ized in section 487(c), the Secretary may impose a  
19                  fine not to exceed \$25,000 on an institution of high-  
20                  er education for failure to provide the information  
21                  described in this subsection in a timely or accurate  
22                  manner.

23                  “(e) DATA QUALITY.—Either—

24                  “(1) the Governor of the State; or

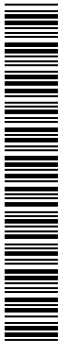


1           “(2) in the case of a State for which the con-  
2           stitution or law of such State designates another in-  
3           dividual, entity, or agency in the State to be respon-  
4           sible for teacher certification and preparation activ-  
5           ity, such individual, entity, or agency;

6           shall attest annually, in writing, as to the reliability, valid-  
7           ity, integrity, and accuracy of the data submitted pursuant  
8           to this section.

9           **“SEC. 208. STATE FUNCTIONS.**

10          “(a) STATE ASSESSMENT.—In order to receive funds  
11          under this Act, a State shall have in place a procedure  
12          to identify and assist, through the provision of technical  
13          assistance, low-performing programs of teacher prepara-  
14          tion within institutions of higher education. Such State  
15          shall provide the Secretary an annual list of such low-per-  
16          forming institutions that includes an identification of  
17          those institutions at risk of being placed on such list. Such  
18          levels of performance shall be determined solely by the  
19          State and may include criteria based upon information col-  
20          lected pursuant to this part. Such assessment shall be de-  
21          scribed in the report under section 207(a). A State receiv-  
22          ing Federal funds under this title shall develop plans to  
23          close or reconstitute underperforming programs of teacher  
24          preparation within institutions of higher education.



1       “(b) TERMINATION OF ELIGIBILITY.—Any institu-  
2       tion of higher education that offers a program of teacher  
3       preparation in which the State has withdrawn the State’s  
4       approval or terminated the State’s financial support due  
5       to the low performance of the institution’s teacher prepa-  
6       ration program based upon the State assessment described  
7       in subsection (a)—

8               “(1) shall be ineligible for any funding for pro-  
9       fessional development activities awarded by the De-  
10      partment of Education; and

11              “(2) shall not be permitted to accept or enroll  
12      any student who receives aid under title IV of this  
13      Act in the institution’s teacher preparation program.

14   **“SEC. 209. GENERAL PROVISIONS.**

15       “(a) METHODS.—In complying with sections 207 and  
16      208, the Secretary shall ensure that States and institu-  
17      tions of higher education use fair and equitable methods  
18      in reporting and that the reporting methods do not allow  
19      identification of individuals.

20       “(b) SPECIAL RULE.—For each State in which there  
21      are no State certification or licensure assessments, or for  
22      States that do not set minimum performance levels on  
23      those assessments—

24              “(1) the Secretary shall, to the extent prac-  
25      ticable, collect data comparable to the data required



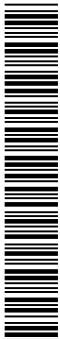
1 under this part from States, local educational agen-  
2 cies, institutions of higher education, or other enti-  
3 ties that administer such assessments to teachers or  
4 prospective teachers; and

5 “(2) notwithstanding any other provision of this  
6 part, the Secretary shall use such data to carry out  
7 requirements of this part related to assessments or  
8 pass rates.

9 “(c) LIMITATIONS.—

10 “(1) FEDERAL CONTROL PROHIBITED.—Noth-  
11 ing in this part shall be construed to permit, allow,  
12 encourage, or authorize any Federal control over any  
13 aspect of any private, religious, or home school,  
14 whether or not a home school is treated as a private  
15 school or home school under State law. This section  
16 shall not be construed to prohibit private, religious,  
17 or home schools from participation in programs or  
18 services under this part.

19 “(2) NO CHANGE IN STATE CONTROL ENCOUR-  
20 AGED OR REQUIRED.—Nothing in this part shall be  
21 construed to encourage or require any change in a  
22 State’s treatment of any private, religious, or home  
23 school, whether or not a home school is treated as  
24 a private school or home school under State law.



1 “(3) NATIONAL SYSTEM OF TEACHER CERTIFI-  
2 CATION PROHIBITED.—Nothing in this part shall be  
3 construed to permit, allow, encourage, or authorize  
4 the Secretary to establish or support any national  
5 system of teacher certification.

6 **“SEC. 210. AUTHORIZATION OF APPROPRIATIONS.**

7 “There are authorized to be appropriated to carry out  
8 this part \$300,000,000 for fiscal year 2006 and such sums  
9 as may be necessary for each of the 5 succeeding fiscal  
10 years, of which—

11 “(1) 45 percent shall be available for each fiscal  
12 year to award grants under section 202;

13 “(2) 45 percent shall be available for each fiscal  
14 year to award grants under section 203; and

15 “(3) 10 percent shall be available for each fiscal  
16 year to award grants under section 204.”.

17 **SEC. 202. PREPARING TOMORROW’S TEACHERS TO USE**  
18 **TECHNOLOGY.**

19 (a) ELIGIBILITY.—Section 222(a)(3)(D) of the High-  
20 er Education Act of 1965 (20 U.S.C. 1042(a)(3)(D)) is  
21 amended by inserting “nonprofit telecommunications enti-  
22 ty,” after “community-based organization,”.

23 (b) PERMISSIBLE USES OF FUNDS.—Section  
24 223(b)(1)(E) of the Higher Education Act of 1965 (20  
25 U.S.C. 1043(b)(1)(E)) is amended to read as follows:



1                   “(E) To use technology to collect, manage,  
2                   and analyze data to improve teaching, learning,  
3                   and decisionmaking for the purpose of increas-  
4                   ing student academic achievement.”.

5           (c) AUTHORIZATION OF APPROPRIATIONS.—Section  
6 224 of the Higher Education Act of 1965 (20 U.S.C.  
7 1044) is amended by striking “each of fiscal years 2002  
8 and 2003.” and inserting “fiscal year 2006 and each of  
9 the 5 succeeding fiscal years.”.

10 **SEC. 203. CENTERS OF EXCELLENCE.**

11           Title II of the Higher Education Act of 1965 (20  
12 U.S.C. 1021 et seq.) is amended by adding at the end  
13 the following:

14                   **“PART C—CENTERS OF EXCELLENCE**

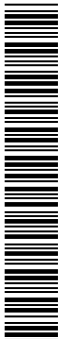
15 **“SEC. 231. PURPOSES; DEFINITIONS.**

16           “(a) PURPOSES.—The purposes of this part are—

17                   “(1) to help recruit and prepare teachers, in-  
18                   cluding minority teachers, to meet the national de-  
19                   mand for a highly qualified teacher in every class-  
20                   room; and

21                   “(2) to increase opportunities for Americans of  
22                   all educational, ethnic, class, and geographic back-  
23                   grounds to become highly qualified teachers.

24           “(b) DEFINITIONS.—As used in this part:



1           “(1) ELIGIBLE INSTITUTION.—The term ‘eligi-  
2       ble institution’ means—

3           “(A) an institution of higher education  
4       that has a teacher preparation program that  
5       meets the requirements of section 203(b)(2)  
6       and that is—

7           “(i) a part B institution (as defined in  
8       section 322);

9           “(ii) a Hispanic-serving institution (as  
10      defined in section 502);

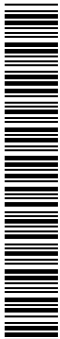
11          “(iii) a Tribal College or University  
12      (as defined in section 316);

13          “(iv) an Alaska Native-serving institu-  
14      tion (as defined in section 317(b)); or

15          “(v) a Native Hawaiian-serving insti-  
16      tution (as defined in section 317(b));

17          “(B) a consortium of institutions described  
18      in subparagraph (A); or

19          “(C) an institution described in subpara-  
20      graph (A), or a consortium described in sub-  
21      paragraph (B), in partnership with any other  
22      institution of higher education, but only if the  
23      center of excellence established under section  
24      232 is located at an institution described in  
25      subparagraph (A).



1           “(2) HIGHLY QUALIFIED.—The term ‘highly  
2           qualified’ when used with respect to an individual  
3           means that the individual is highly qualified as de-  
4           termined under section 9101 of the Elementary and  
5           Secondary Education Act of 1965 (20 U.S.C. 7801)  
6           or section 602 of the Individuals with Disabilities  
7           Education Act (20 U.S.C. 1401).

8           “(3) SCIENTIFICALLY BASED READING RE-  
9           SEARCH.—The term ‘scientifically based reading re-  
10          search’ has the meaning given such term in section  
11          1208 of the Elementary and Secondary Education  
12          Act of 1965 (20 U.S.C. 6368).

13          “(4) SCIENTIFICALLY BASED RESEARCH.—The  
14          term ‘scientifically based research’ has the meaning  
15          given such term in section 9101 of the Elementary  
16          and Secondary Education Act of 1965 (20 U.S.C.  
17          7801).

18   **“SEC. 232. CENTERS OF EXCELLENCE.**

19          “(a) PROGRAM AUTHORIZED.—From the amounts  
20          appropriated to carry out this part, the Secretary is au-  
21          thorized to award competitive grants to eligible institu-  
22          tions to establish centers of excellence.

23          “(b) USE OF FUNDS.—Grants provided by the Sec-  
24          retary under this part shall be used to ensure that current



1 and future teachers are highly qualified, by carrying out  
2 one or more of the following activities:

3 “(1) Implementing reforms within teacher prep-  
4 aration programs to ensure that such programs are  
5 preparing teachers who are highly qualified, are able  
6 to understand scientifically based research, and are  
7 able to use advanced technology effectively in the  
8 classroom, including use for instructional techniques  
9 to improve student academic achievement, by—

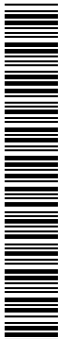
10 “(A) retraining faculty; and

11 “(B) designing (or redesigning) teacher  
12 preparation programs that—

13 “(i) prepare teachers to close student  
14 achievement gaps, are based on rigorous  
15 academic content, scientifically based re-  
16 search (including scientifically based read-  
17 ing research), and challenging State stu-  
18 dent academic content standards; and

19 “(ii) promote strong teaching skills.

20 “(2) Providing sustained and high-quality  
21 preservice clinical experience, including the men-  
22 toring of prospective teachers by exemplary teachers,  
23 substantially increasing interaction between faculty  
24 at institutions of higher education and new and ex-  
25 perience teachers, principals, and other administra-



1       tors at elementary schools or secondary schools, and  
2       providing support, including preparation time, for  
3       such interaction.

4               “(3) Developing and implementing initiatives to  
5       promote retention of highly qualified teachers and  
6       principals, including minority teachers and prin-  
7       cipals, including programs that provide—

8               “(A) teacher or principal mentoring from  
9       exemplary teachers or principals; or

10              “(B) induction and support for teachers  
11       and principals during their first 3 years of em-  
12       ployment as teachers or principals, respectively.

13              “(4) Awarding scholarships based on financial  
14       need to help students pay the costs of tuition, room,  
15       board, and other expenses of completing a teacher  
16       preparation program.

17              “(5) Disseminating information on effective  
18       practices for teacher preparation and successful  
19       teacher certification and licensure assessment prepa-  
20       ration strategies.

21              “(6) Activities authorized under sections 202,  
22       203, and 204.

23              “(c) APPLICATION.—Any eligible institution desiring  
24       a grant under this section shall submit an application to



1 the Secretary at such a time, in such a manner, and ac-  
2 companied by such information the Secretary may require.

3 “(d) MINIMUM GRANT AMOUNT.—The minimum  
4 amount of each grant under this part shall be \$500,000.

5 “(e) LIMITATION ON ADMINISTRATIVE EXPENSES.—  
6 An eligible institution that receives a grant under this part  
7 may not use more than 2 percent of the grant funds for  
8 purposes of administering the grant.

9 “(f) REGULATIONS.—The Secretary shall prescribe  
10 such regulations as may be necessary to carry out this  
11 part.

12 **“SEC. 233. AUTHORIZATION OF APPROPRIATIONS.**

13 “There are authorized to be appropriated to carry out  
14 this part \$10,000,000 for fiscal year 2006 and such sums  
15 as may be necessary for each of the 5 succeeding fiscal  
16 years.”.

17 **SEC. 204. TEACHER INCENTIVE FUND PROGRAM.**

18 Title II of the Higher Education Act of 1965 (20  
19 U.S.C. 1021 et seq.), as amended by section 203 of this  
20 Act, is further amended by adding at the end the fol-  
21 lowing:

22 **“PART D—TEACHER INCENTIVE FUND PROGRAM**

23 **“SEC. 241. PURPOSE; DEFINITIONS.**

24 “(a) PURPOSE.—The purpose of this part is to assist  
25 States, local educational agencies, and non-profit or for-



1 profit organizations to develop and implement, or expand,  
2 innovative compensation systems to provide financial re-  
3 wards for teachers and principals who raise student aca-  
4 demic achievement and close the achievement gap, espe-  
5 cially in the highest-need local educational agencies.

6 “(b) DEFINITIONS.—For purposes of this part:

7 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-  
8 tity’ means—

9 “(A) a local educational agency, including  
10 a charter school that is a local educational  
11 agency;

12 “(B) a State educational agency, or other  
13 State agency designated by the chief executive  
14 of the State; or

15 “(C) a partnership of—

16 “(i) one or more agencies described in  
17 subparagraph (A) or (B), or both; and

18 “(ii) at least one non-profit or for-  
19 profit organization.

20 “(2) HIGH-NEED LOCAL EDUCATIONAL AGEN-  
21 CY.—The term ‘high-need local educational agency’  
22 has the meaning given that term in section 201.

23 **“SEC. 242. TEACHER INCENTIVE FUND GRANTS.**

24 “(a) PROGRAM AUTHORIZED.—



1           “(1) IN GENERAL.—From the amounts appro-  
2           priated to carry out this part, the Secretary is au-  
3           thorized to award competitive grants of up to 5  
4           years in length to eligible entities to develop and im-  
5           plement, or expand, a comprehensive performance-  
6           based compensation system for teachers and prin-  
7           cipals for one or more local educational agencies.

8           “(2) COMPREHENSIVE PERFORMANCE-BASED  
9           COMPENSATION SYSTEMS.—A comprehensive per-  
10          formance-based compensation system developed and  
11          implemented, or expanded with funds under this  
12          part—

13                 “(A) shall differentiate levels of compensa-  
14                 tion primarily on the basis of increases in stu-  
15                 dent academic achievement; and

16                 “(B) may—

17                         “(i) differentiate levels of compensa-  
18                         tion on the basis of high-quality teachers’  
19                         and principals’ employment and success in  
20                         hard-to-staff schools or high-need subject  
21                         areas; and

22                         “(ii) recognize teachers’ and prin-  
23                         cipals’ skills and knowledge as dem-  
24                         onstrated through—



1 “(I) successful fulfillment of ad-  
2 ditional responsibilities or job func-  
3 tions; and

4 “(II) evidence of high achieve-  
5 ment and mastery of content knowl-  
6 edge and teaching skills.

7 “(b) USE OF FUNDS.—A grantee shall use grant  
8 funds provided under this part only to design and imple-  
9 ment, or expand, in collaboration with teachers, principals,  
10 other school administrators, and members of the public,  
11 a compensation system consistent with the requirements  
12 of this part. Authorized activities under this part may in-  
13 clude the following:

14 “(1) Developing appraisal systems that reflect  
15 clear and fair measures of student academic achieve-  
16 ment.

17 “(2) Conducting outreach within the local edu-  
18 cational agency (or agencies) or the State to gain  
19 input on how to construct the appraisal system and  
20 to develop support for it.

21 “(3) Paying, as part of a comprehensive per-  
22 formance-based compensation system, bonuses and  
23 increased salaries to teachers and principals who  
24 raise student academic achievement, so long as the  
25 grantee uses an increasing share of non-Federal



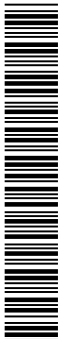
1 funds to pay these monetary rewards each year of  
2 the grant.

3 “(4) Paying, as part of a comprehensive per-  
4 formance-based compensation system, additional bo-  
5 nuses to teachers who both raise student academic  
6 achievement and either teach in high-poverty schools  
7 or teach subjects that are difficult to staff, or both,  
8 so long as the grantee uses an increasing share of  
9 non-Federal funds to pay these monetary rewards  
10 each year of the grant.

11 “(5) Paying, as part of a comprehensive per-  
12 formance-based compensation system, additional bo-  
13 nuses to principals who both raise student academic  
14 achievement and serve in high-poverty schools, so  
15 long as the grantee uses an increasing share of non-  
16 Federal funds to pay these monetary rewards each  
17 year of the grant.

18 “(c) APPLICATIONS.—To be eligible to receive a grant  
19 under this part, an eligible entity shall submit an applica-  
20 tion that includes—

21 “(1) a description of the local educational agen-  
22 cy or local educational agencies to be served by the  
23 project, including such demographic information as  
24 the Secretary may request;



1           “(2) information on student academic achieve-  
2           ment and the quality of the teachers and principals  
3           in the local educational agency or agencies to be  
4           served by the project;

5           “(3) a description of the performance-based  
6           teacher and principal compensation system that the  
7           applicant proposes to develop and implement or ex-  
8           pand;

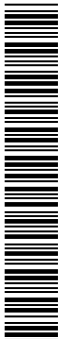
9           “(4) a description of how the applicant will use  
10          grant funds under this part in each year of the  
11          grant;

12          “(5) an explanation of how the applicant will  
13          meet the requirement in subsection (b)(3) and how  
14          the grantee will continue its performance-based com-  
15          pensation system after the grant ends;

16          “(6) a description of the support and commit-  
17          ment from teachers, the community or local edu-  
18          cational agency or agencies for the development and  
19          implementation, or expansion, of a performance-  
20          based teacher and principal compensation system;

21          “(7) a description of how teacher, principal and  
22          student performance will be measured and the base-  
23          line measurement units; and

24          “(8) a description, if applicable, of how the ap-  
25          plicant will define the term ‘high-quality’ for the



1 purposes of subsection (a)(2)(B)(i), through the use  
2 of measurable indicators, such as effectiveness in  
3 raising student academic achievement, or dem-  
4 onstrated mastery of subject matter knowledge.

5 “(d) PRIORITY.—The Secretary shall give priority to  
6 applications for projects that would establish comprehen-  
7 sive performance-based compensation systems in high-  
8 need local educational agencies.

9 **“SEC. 243. EVALUATIONS.**

10 “The Secretary shall conduct an independent evalua-  
11 tion of the program under this part and may use up to  
12 1 percent of the funds made available under this part or  
13 \$1,000,000, whichever is less, for any fiscal year for the  
14 cost of the evaluation.

15 **“SEC. 244. AUTHORIZATION OF APPROPRIATIONS.**

16 “There are authorized to be appropriated to carry out  
17 this part \$100,000,000 for fiscal year 2006 and such sums  
18 as may be necessary for each of the 5 succeeding fiscal  
19 years.”.

20 **SEC. 205. TRANSITION.**

21 The Secretary of Education shall take such actions  
22 as the Secretary determines to be appropriate to provide  
23 for the orderly implementation of this title.



1     **TITLE III—INSTITUTIONAL AID**

2     **SEC. 301. TITLE III GRANTS FOR AMERICAN INDIAN TRIB-**  
3                   **ALLY CONTROLLED COLLEGES AND UNIVER-**  
4                   **SITIES.**

5           (a) ELIGIBLE INSTITUTIONS.—Subsection (b) of sec-  
6     tion 316 (20 U.S.C. 1059c(b)) is amended to read as fol-  
7     lows:

8           “(b) DEFINITIONS.—

9                   “(1) ELIGIBLE INSTITUTIONS.—For purposes  
10     of this section, Tribal Colleges and Universities are  
11     the following:

12                   “(A) any of the following institutions that  
13     qualify for funding under the Tribally Con-  
14     trolled College or University Assistance Act of  
15     1978 or is listed in Equity in Educational Land  
16     Grant Status Act of 1994 (7 U.S.C. 301 note):  
17     Bay Mills Community College; Blackfeet Com-  
18     munity College; Cankdeska Cikana Community  
19     College; Chief Dull Knife College; College of  
20     Menominee Nation; Crownpoint Institute of  
21     Technology; Diné College; D–Q University;  
22     Fond du Lac Tribal and Community College;  
23     Fort Belknap College; Fort Berthold Commu-  
24     nity College; Fort Peck Community College;  
25     Haskell Indian Nations University; Institute of



1 American Indian and Alaska Native Culture  
2 and Arts Development; Lac Courte Oreilles  
3 Ojibwa Community College; Leech Lake Tribal  
4 College; Little Big Horn College; Little Priest  
5 Tribal College; Nebraska Indian Community  
6 College; Northwest Indian College; Oglala  
7 Lakota College; Saginaw Chippewa Tribal Col-  
8 lege; Salish Kootenai College; Si Tanka Univer-  
9 sity—Eagle Butte Campus; Sinte Gleska Uni-  
10 versity; Sisseton Wahpeton Community College;  
11 Sitting Bull College; Southwestern Indian Poly-  
12 technic Institute; Stone Child College; Tohono  
13 O’Odham Community College; Turtle Mountain  
14 Community College; United Tribes Technical  
15 College; and White Earth Tribal and Commu-  
16 nity College; and

17 “(B) any other institution that meets the  
18 definition of tribally controlled college or uni-  
19 versity in section 2 of the Tribally Controlled  
20 College or University Assistance Act of 1978,  
21 and meets all other requirements of this sec-  
22 tion.

23 “(2) INDIAN.—The term ‘Indian’ has the mean-  
24 ing given the term in section 2 of the Tribally Con-



1 trolled College or University Assistance Act of  
2 1978.”.

3 (b) DISTANCE LEARNING.—Subsection (c)(2) of such  
4 section is amended—

5 (1) by amending subparagraph (B) to read as  
6 follows:

7 “(B) construction, maintenance, renova-  
8 tion, and improvement in classrooms, libraries,  
9 laboratories, and other instructional facilities,  
10 including purchase or rental of telecommuni-  
11 cations technology equipment or services, and  
12 the acquisition of real property adjacent to the  
13 campus of the institution on which to construct  
14 such facilities;”;

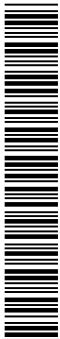
15 (2) by striking “and” at the end of subpara-  
16 graph (K);

17 (3) by redesignating subparagraph (L) as sub-  
18 paragraph (M); and

19 (4) by inserting after subparagraph (K) the fol-  
20 lowing new subparagraph:

21 “(L) developing or improving facilities for  
22 Internet use or other distance learning aca-  
23 demic instruction capabilities; and”.

24 (c) APPLICATION AND ALLOTMENT.—Subsection (d)  
25 of such section is amended to read as follows:



1 “(d) APPLICATION AND ALLOTMENT.—

2 “(1) INSTITUTIONAL ELIGIBILITY.—To be eligi-  
3 ble to receive assistance under this section, a Tribal  
4 College or University shall be an eligible institution  
5 under section 312(b).

6 “(2) APPLICATION.—Any Tribal College or Uni-  
7 versity desiring to receive assistance under this sec-  
8 tion shall submit an application to the Secretary at  
9 such time, and in such manner, as the Secretary  
10 may reasonably require.

11 “(3) ALLOTMENTS TO INSTITUTIONS.—

12 “(A) ALLOTMENT: PELL GRANT BASIS.—

13 From the amount appropriated to carry out  
14 this section for any fiscal year, the Secretary  
15 shall allot to each eligible institution a sum  
16 which bears the same ratio to one-half that  
17 amount as the number of Pell Grant recipients  
18 in attendance at such institution at the end of  
19 the award year preceding the beginning of that  
20 fiscal year bears to the total number of Pell  
21 Grant recipients at all eligible institutions.

22 “(B) ALLOTMENT: DEGREE AND CERTIFI-  
23 CATE BASIS.—From the amount appropriated  
24 to carry out this section for any fiscal year, the  
25 Secretary shall allot to each eligible institution



1 a sum which bears the same ratio to one-half  
2 that amount as the number of degrees or cer-  
3 tificates awarded by such institution during the  
4 preceding academic year bears to the total num-  
5 ber of degrees or certificates at all eligible insti-  
6 tutions.

7 “(C) MINIMUM GRANT.—Notwithstanding  
8 subparagraphs (A) and (B), the amount allot-  
9 ted to each institution under this section shall  
10 not be less than \$400,000.

11 “(4) SPECIAL RULES.—

12 “(A) CONCURRENT FUNDING.—For the  
13 purposes of this part, no Tribal College or Uni-  
14 versity that is eligible for and receives funds  
15 under this section shall concurrently receive  
16 funds under other provisions of this part or  
17 part B.

18 “(B) EXEMPTION.—Section 313(d) shall  
19 not apply to institutions that are eligible to re-  
20 ceive funds under this section.”.

21 **SEC. 302. ALASKA NATIVE AND NATIVE HAWAIIAN-SERVING**  
22 **INSTITUTIONS.**

23 (a) DISTANCE LEARNING.—Section 317(c)(2) (20  
24 U.S.C. 1059d(c)(2)) is amended—



1 (1) by amending subparagraph (B) to read as  
2 follows:

3 “(A) construction, maintenance, renova-  
4 tion, and improvement in classrooms, libraries,  
5 laboratories, and other instructional facilities,  
6 including purchase or rental of telecommuni-  
7 cations technology equipment or services, and  
8 the acquisition of real property adjacent to the  
9 campus of the institution on which to construct  
10 such facilities;”;

11 (2) by striking “and” at the end of subpara-  
12 graph (G);

13 (3) by striking the period at the end of sub-  
14 paragraph (H) and inserting “; and”; and

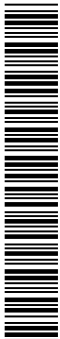
15 (4) by inserting after subparagraph (H) the fol-  
16 lowing new subparagraph:

17 “(I) development or improvement of facili-  
18 ties for Internet use or other distance learning  
19 academic instruction capabilities.”.

20 (b) ENDOWMENT FUNDS.—Section 317(c) is further  
21 amended by adding at the end the following new para-  
22 graph:

23 “(3) ENDOWMENT FUNDS.—

24 “(A) IN GENERAL.—An Alaska Native or  
25 Native Hawaiian-serving institution may use



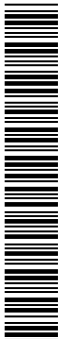
1 not more than 20 percent of the grant funds  
2 provided under this section to establish or in-  
3 crease an endowment fund at the institution.

4 “(B) MATCHING REQUIREMENT.—In order  
5 to be eligible to use grant funds in accordance  
6 with subparagraph (A), the institution shall  
7 provide to the endowment fund from non-Fed-  
8 eral funds an amount equal to the Federal  
9 funds used in accordance with subparagraph  
10 (A), for the establishment or increase of the en-  
11 dowment fund.

12 “(C) APPLICABILITY OF OTHER PROVI-  
13 SIONS.—The provisions of part C regarding the  
14 establishment or increase of an endowment  
15 fund, that the Secretary determines are not in-  
16 consistent with this paragraph, shall apply to  
17 funds used under subparagraph (A).”.

18 (c) APPLICATION PROCESS.—Section 317(d) is  
19 amended—

20 (1) by adding at the end of paragraph (1) the  
21 following new sentences: “Each Alaska Native-serv-  
22 ing institution and Native Hawaiian-serving institu-  
23 tion shall develop a 5-year plan for improving the as-  
24 sistance provided to Alaska Native or Native Hawai-



1       ian students. Such plan shall not be subject to ap-  
2       proval by the Secretary.”; and

3               (2) in paragraph (2)—

4                       (A) by redesignating subparagraph (B) as  
5       subparagraph (C); and

6                       (B) by striking subparagraph (A) and in-  
7       serting the following:

8                       “(A) an assurance that the institution has  
9       developed a 5-year plan for serving Alaska Na-  
10      tive or Native Hawaiian students;

11                      “(B) a list of activities and other informa-  
12      tion that are consistent with the institution’s 5-  
13      year plan; and”.

14   **SEC. 303. GRANTS TO PART B INSTITUTIONS.**

15       (a) USE OF FUNDS.—

16               (1) FACILITIES AND EQUIPMENT.—

17                       (A) UNDERGRADUATE INSTITUTIONS.—

18       Paragraph (2) of section 323(a) (20 U.S.C.  
19       1062(a)) is amended to read as follows:

20               “(2) Construction, maintenance, renovation,  
21      and improvement in classrooms, libraries, labora-  
22      tories, and other instructional facilities, including  
23      purchase or rental of telecommunications technology  
24      equipment or services, and the acquisition of real



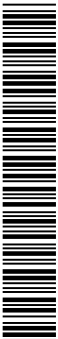
1 property adjacent to the campus of the institution  
2 on which to construct such facilities.”.

3 (B) GRADUATE AND PROFESSIONAL  
4 SCHOOLS.—Paragraph (2) of section 326(c) is  
5 amended to read as follows:

6 “(2) construction, maintenance, renovation, and  
7 improvement in classrooms, libraries, laboratories,  
8 and other instructional facilities, including purchase  
9 or rental of telecommunications technology equip-  
10 ment or services, and the acquisition of real property  
11 adjacent to the campus of the institution on which  
12 to construct such facilities;”.

13 (2) OUTREACH AND COLLABORATION.—Para-  
14 graph (11) of section 323(a) is amended to read as  
15 follows:

16 “(11) Establishing community outreach pro-  
17 grams and collaborative partnerships between part B  
18 institutions and local elementary or secondary  
19 schools. Such partnerships may include mentoring,  
20 tutoring, or other instructional opportunities that  
21 will boost student academic achievement and assist  
22 elementary and secondary school students in devel-  
23 oping the academic skills and the interest to pursue  
24 postsecondary education.”.



1 (b) TECHNICAL ASSISTANCE.—Section 323 (20  
2 U.S.C. 1062) is amended—

3 (1) by redesignating subsection (c) as sub-  
4 section (d); and

5 (2) by inserting after subsection (b) the fol-  
6 lowing new subsection:

7 “(c) TECHNICAL ASSISTANCE.—

8 “(1) IN GENERAL.—An institution may not use  
9 more than 2 percent of the grant funds provided  
10 under this part to secure technical assistance serv-  
11 ices.

12 “(2) TECHNICAL ASSISTANCE SERVICES.—  
13 Technical assistance services may include assistance  
14 with enrollment management, financial management,  
15 and strategic planning.

16 “(3) REPORT.—The institution shall report to  
17 the Secretary on an annual basis, in such form as  
18 the Secretary requires, on the use of funds under  
19 this subsection.”.

20 (c) DISTANCE LEARNING.—Section 323(a)(2) (20  
21 U.S.C. 1062(a)(2)) is amended by inserting “development  
22 or improvement of facilities for Internet use or other dis-  
23 tance learning academic instruction capabilities and” after  
24 “including”.



1 (d) MINIMUM GRANTS.—Section 324(d)(1) (20  
2 U.S.C. 1063(d)(1)) is amended by inserting before the pe-  
3 riod at the end the following: “, except that, if the amount  
4 appropriated to carry out this part for any fiscal year ex-  
5 ceeds the amount required to provide to each institution  
6 an amount equal to the total amount received by such in-  
7 stitution under subsections (a), (b), and (c) for the pre-  
8 ceding fiscal year, then the amount of such excess appro-  
9 priation shall first be applied to increase the minimum al-  
10 lotment under this subsection to \$750,000”.

11 (e) ELIGIBLE GRADUATE OR PROFESSIONAL  
12 SCHOOLS.—

13 (1) GENERAL AUTHORITY.—Section 326(a)(1)  
14 (20 U.S.C. 1063b(a)(1)) is amended—

15 (A) by inserting “(A)” after “subsection  
16 (e) that”;

17 (B) by inserting before the period at the  
18 end the following: “, (B) is accredited by a na-  
19 tionally recognized accrediting agency or asso-  
20 ciation determined by the Secretary to be a reli-  
21 able authority as to the quality of training of-  
22 fered, and (C) according to such an agency or  
23 association, is in good standing”.

24 (2) ELIGIBLE INSTITUTIONS.—Section  
25 326(e)(1) (20 U.S.C. 1063b(e)(1)) is amended—



1 (A) by striking “and” at the end of sub-  
2 paragraph (Q);

3 (B) by striking the period at the end of  
4 subparagraph (R) and inserting a semicolon;  
5 and

6 (C) by adding at the end the following new  
7 subparagraphs:

8 “(S) Alabama State University qualified  
9 graduate program;

10 “(T) Prairie View A & M University quali-  
11 fied graduate program;

12 “(U) Coppin State University qualified  
13 graduate program; and

14 “(V) Delaware State University qualified  
15 graduate program.”.

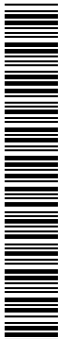
16 (3) CONFORMING AMENDMENT.—Section  
17 326(e)(3) (20 U.S.C. 1063b(e)(3)) is amended—

18 (A) by striking “1998” and inserting  
19 “2005”; and

20 (B) by striking “(Q) and (R)” and insert-  
21 ing “(S), (T), (U), and (V)”.

22 (f) PROFESSIONAL OR GRADUATE INSTITUTIONS.—  
23 Section 326(f) (20 U.S.C. 1063b(f)) is amended—

24 (1) in paragraph (1)—



1 (A) by striking “\$26,600,000” and insert-  
2 ing “\$54,500,000”; and

3 (B) by striking “(P)” and inserting “(R)”;  
4 (2) in paragraph (2)—

5 (A) by striking “\$26,600,000 but not in  
6 excess of \$28,600,000” and inserting  
7 “\$54,500,000, but not in excess of  
8 \$58,500,000”; and

9 (B) by striking “subparagraphs (Q) and  
10 (R)” and inserting “subparagraphs (S), (T),  
11 (U), and (V)”;  
12 (3) in paragraph (3)—

13 (A) by striking “\$28,600,000” and insert-  
14 ing “\$58,500,000”; and

15 (B) by striking “(R)” and inserting “(V)”.

16 (g) HOLD HARMLESS.—Section 326(g) (20 U.S.C.  
17 1063b(g)) is amended by striking “1998” and inserting  
18 “2005”.

19 **SEC. 304. TECHNICAL AMENDMENTS.**

20 (a) AMENDMENTS.—Title III is further amended—

21 (1) in section 311(c) (20 U.S.C. 1057(c))—

22 (A) by redesignating paragraphs (7)  
23 through (12) as paragraphs (8) through (13),  
24 respectively; and



1 (B) by inserting after paragraph (6) the  
2 following:

3 “(7) Education or counseling services designed  
4 to improve the financial literacy and economic lit-  
5 eracy of students and, as appropriate, their par-  
6 ents.”;

7 (2) in section 312(b)(1)(A) (20 U.S.C.  
8 1058(b)(1)(A)), by striking “subsection (c)” and in-  
9 serting “subsection (d)”;

10 (3) in section 312(b)(1)(F) (20 U.S.C.  
11 1058(b)(1)(F)), by inserting “which is” before “lo-  
12 cated”;

13 (4) in section 312(b)(1) (20 U.S.C.  
14 1058(b)(1)), by redesignating subparagraphs (E)  
15 and (F) as subparagraphs (F) and (G), respectively,  
16 and by inserting after subparagraph (D) the fol-  
17 lowing new subparagraph:

18 “(E) which provides a program that is not  
19 less than a 2-year educational program that is  
20 acceptable for full credit toward a bachelor’s de-  
21 gree.”;

22 (5) in section 316(c)(2) (20 U.S.C.  
23 1059c(c)(2))—

24 (A) by redesignating subparagraphs (G)  
25 through (M) (as redesignated by section



1 301(b)(2) of this Act) as subparagraphs (H)  
2 through (N), respectively;

3 (B) by inserting after subparagraph (F)  
4 the following:

5 “(G) education or counseling services de-  
6 signed to improve the financial literacy and eco-  
7 nomic literacy of students and, as appropriate,  
8 their parents;”; and

9 (C) in subparagraph (N), as redesignated  
10 by subparagraph (A), by striking “subpara-  
11 graphs (A) through (K)” and inserting “sub-  
12 paragraphs (A) through (M)”;

13 (6) in section 317(c)(2) (20 U.S.C.  
14 1059d(c)(2))—

15 (A) in subparagraph (G), by striking  
16 “and” after the semicolon;

17 (B) in subparagraph (H), by striking the  
18 period at the end and inserting “; and”; and

19 (C) by adding at the end the following:

20 “(I) education or counseling services de-  
21 signed to improve the financial literacy and eco-  
22 nomic literacy of students and, as appropriate,  
23 their parents.”;

24 (7) in section 323(a) (20 U.S.C. 1062(a))—



1 (A) by striking “section 360(a)(2)” and in-  
2 serting “399(a)(2)”;

3 (B) by redesignating paragraphs (7)  
4 through (12) as paragraphs (8) through (13),  
5 respectively; and

6 (C) by inserting after paragraph (6) the  
7 following:

8 “(7) Education or counseling services designed  
9 to improve the financial literacy and economic lit-  
10 eracy of students and, as appropriate, their par-  
11 ents.”;

12 (8) in section 324(d)(2) (20 U.S.C.  
13 1063(d)(2)), by striking “section 360(a)(2)(A)” and  
14 inserting “section 399(a)(2)(A)”;

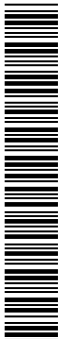
15 (9) in section 326(e)(1) (20 U.S.C.  
16 1063b(e)(1)), in the matter preceding subparagraph  
17 (A), by inserting a colon after “the following”;

18 (10) in section 327(b) (20 U.S.C. 1063c(b)), by  
19 striking “initial”;

20 (11) in section 342(5)(C) (20 U.S.C.  
21 1066a(5)(C))—

22 (A) by inserting a comma after “equip-  
23 ment” the first place it appears; and

24 (B) by striking “technology,,” and insert-  
25 ing “technology,”;



1 (12) in section 343(e) (20 U.S.C. 1066b(e)), by  
2 inserting after the subsection designation the fol-  
3 lowing: “SALE OF QUALIFIED BONDS.—”;

4 (13) in section 351(a) (20 U.S.C. 1067a(a)), by  
5 striking “of 1979”;

6 (14) in section 391(b)(7)(E) (20 U.S.C.  
7 1068(b)(7)(E)), by striking “subparagraph (E)” and  
8 inserting “subparagraph (D)”; and

9 (15) in section 396 (20 U.S.C. 1068e), by strik-  
10 ing “section 360” and inserting “section 399”.

11 (b) REPEAL.—Section 1024 (20 U.S.C. 1135b–3), as  
12 transferred by section 301(a)(5) of the Higher Education  
13 Amendments of 1998 (Public Law 105–244; 112 Stat.  
14 1636), is repealed.

15 **SEC. 305. TITLE III AUTHORIZATIONS.**

16 Section 399(a) (20 U.S.C. 1068h(a)) is amended—

17 (1) by striking “1999” each place it appears  
18 and inserting “2006”;

19 (2) by striking “4 succeeding fiscal years” each  
20 place it appears and inserting “5 succeeding fiscal  
21 years”;

22 (3) in paragraph (1)—

23 (A) by striking “\$10,000,000” in subpara-  
24 graph (B) and inserting “\$23,800,000”; and



1 (B) by striking “\$5,000,000” in subpara-  
2 graph (C) and inserting “\$11,900,000”;

3 (4) in paragraph (2)—

4 (A) by striking “\$135,000,000” in sub-  
5 paragraph (A) and inserting “\$241,000,000”;  
6 and

7 (B) by striking “\$35,000,000” in subpara-  
8 graph (B) and inserting “\$59,000,000”; and

9 (5) in paragraph (4), by striking “\$110,000”  
10 and inserting “\$212,000”.

## 11 **TITLE IV—STUDENT ASSISTANCE**

### 12 **PART 1—GRANTS TO STUDENTS**

#### 13 **SEC. 401. PELL GRANTS.**

14 (a) EXTENSION OF AUTHORITY.—Section 401(a) (20  
15 U.S.C. 1070a(a)) is amended by striking “2004” and in-  
16 serting “2012”.

17 (b) DIRECT PAYMENT.—Section 401(a) (20 U.S.C.  
18 1070a(a)) is further amended—

19 (1) by striking paragraph (2); and

20 (2) by redesignating paragraph (3) as para-  
21 graph (2).

22 (c) MAXIMUM PELL GRANT INCREASE.— Paragraph  
23 (2)(A) of section 401(b) 20 U.S.C. 1070a(b)(2)(A)) is  
24 amended to read as follows:



1       “(2)(A) The amount of the Federal Pell Grant for  
2 a student eligible under this part shall be \$6,000 for aca-  
3 demic years 2006–2007 through 2012–2013, less an  
4 amount equal to the amount determined to be the expected  
5 family contribution with respect to that student for that  
6 year.”.

7       (d) TUITION SENSITIVITY.—Section 401(b) is further  
8 amended—

9           (1) by striking paragraph (3); and

10          (2) by redesignating paragraphs (4) through  
11 (8) as paragraphs (3) through (7), respectively.

12       (e) MULTIPLE GRANTS.—Paragraph (5) of section  
13 401(b) (as redesignated by subsection (d)(2)) is amended  
14 to read as follows:

15           “(5) YEAR-ROUND PELL GRANTS.—

16           “(A) IN GENERAL.—The Secretary shall,  
17 for students enrolled full time in a bacca-  
18 laurate degree program of study at an eligible  
19 institution, award such students two Pell grants  
20 during a single award year to permit such stu-  
21 dents to accelerate progress toward their degree  
22 objectives by enrolling in academic programs for  
23 12 months rather than 9 months.

24           “(B) LIMITATION.—The Secretary shall  
25 limit the awarding of additional Pell grants



1 under this paragraph in a single award year to  
2 students attending baccalaureate degree grant-  
3 ing institutions that have a graduation rate as  
4 reported by the Integrated Postsecondary Edu-  
5 cation Data System for the 4 preceding aca-  
6 demic years of at least 30 percent.

7 “(C) EVALUATION.—The Secretary shall  
8 conduct an evaluation of the program under  
9 this paragraph and submit to the Congress an  
10 evaluation report no later than October 1,  
11 2011.

12 “(D) REGULATIONS REQUIRED.—The Sec-  
13 retary shall promulgate regulations imple-  
14 menting this paragraph.”.

15 (f) INELIGIBILITY BASED ON INVOLUNTARY CIVIL  
16 COMMITMENT FOR SEXUAL OFFENSES.—Paragraph (7)  
17 of section 401(b) (as redesignated by subsection (d)(2))  
18 is amended by inserting before the period the following:  
19 “or who is subject to an involuntary civil commitment  
20 upon completion of a period of incarceration for a sexual  
21 offense (as determined under regulations of the Sec-  
22 retary)”.

23 (g) PELL GRANT ELIGIBILITY DURATION.—Section  
24 401(c) (20 U.S.C. 1070a(c)) is amended—

25 (1) in paragraph (1)—



1 (A) by striking “The period” and inserting  
2 in lieu thereof “Subject to paragraph (5), the  
3 period”; and

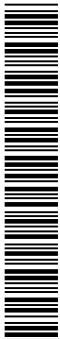
4 (B) by striking the period at the end there-  
5 of and inserting “but shall be subject to the  
6 limitation described in paragraph (5)).”; and

7 (2) by adding at the end the following new  
8 paragraph:

9 “(5) The period during which a student may receive  
10 Federal Pell Grants shall not exceed the equivalent of 18  
11 semesters or 27 quarters in duration (as determined by  
12 the Secretary by regulation), without regard to whether  
13 the student is enrolled on a full-time basis during any por-  
14 tion of that period, and including any period of time for  
15 which the student received Federal Pell Grants prior to  
16 the date of enactment of the College Access and Oppor-  
17 tunity Act of 2005.”.

18 (h) ELIGIBILITY PERIOD.—Section 401(c)(2) (20  
19 U.S.C. 1070a(c)(2)) is amended by inserting “, for not  
20 more than one academic year,” after “which are deter-  
21 mined by the institution” in the first sentence.

22 (i) PELL GRANTS PLUS: ACHIEVEMENT GRANTS FOR  
23 STATE SCHOLARS PROGRAM.—



1 (1) AMENDMENT.—Subpart 1 of part A of title  
2 IV is amended by inserting after section 401 (20  
3 U.S.C. 1070a) the following new section:

4 **“SEC. 401A. PELL GRANTS PLUS: ACHIEVEMENT GRANTS**  
5 **FOR STATE SCHOLARS.**

6 “(a) GRANTS AUTHORIZED.—From sums appro-  
7 priated to carry out section 401, the Secretary shall estab-  
8 lish a program to award Pell Grants Plus to students  
9 who—

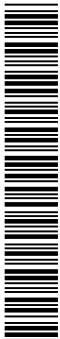
10 “(1) have successfully completed a rigorous  
11 high school program of study established by a State  
12 or local educational agency in consultation with a  
13 State coalition assisted by the Center for State  
14 Scholars;

15 “(2) are enrolled full-time in the first academic  
16 year of undergraduate education, and have not been  
17 previously enrolled in a program of undergraduate  
18 education; and

19 “(3) are eligible to receive Federal Pell Grants  
20 for the year in which the grant is awarded.

21 “(b) AMOUNT OF GRANTS.—

22 “(1) IN GENERAL.—Except as provided in para-  
23 graph (2), the amount of the grant awarded under  
24 this section shall be \$1,000.



1           “(2) ASSISTANCE NOT TO EXCEED COST OF AT-  
2           TENDANCE.—A grant awarded under this section to  
3           any student, in combination with the Federal Pell  
4           Grant assistance and other student financial assist-  
5           ance available to such student, may not exceed the  
6           student’s cost of attendance.

7           “(c) SELECTION OF RECIPIENTS.—

8           “(1) PROCEDURES ESTABLISHED BY REGULA-  
9           TION.—The Secretary shall establish by regulation  
10          procedures for the determination of eligibility of stu-  
11          dents for the grants awarded under this section.  
12          Such procedures shall include measures to ensure  
13          that eligibility is determined in a timely and accu-  
14          rate manner consistent with the requirements of sec-  
15          tion 482 and the submission of the financial aid  
16          form required by section 483.

17          “(2) REQUIRED INFORMATION.—Each eligible  
18          student desiring an award under this section shall  
19          submit at such time and in such manner such infor-  
20          mation as the Secretary may reasonably require.

21          “(3) CONTINUATION OF GRANT REQUIRE-  
22          MENTS.—In order for a student to continue to be el-  
23          igible to receive an award under this section for the  
24          second year of undergraduate education, the eligible  
25          student must—



1           “(A) maintain eligibility to receive a Fed-  
2           eral Pell Grant for that year;

3           “(B) obtain a grade point average of at  
4           least 3.0 (or the equivalent as determined under  
5           regulations prescribed by the Secretary) for the  
6           first year of undergraduate education; and

7           “(C) be enrolled full-time and fulfill the re-  
8           quirements for satisfactory progress described  
9           in section 484(c).

10          “(d) EVALUATION, AND REPORTS.—The Secretary  
11       shall monitor the progress, retention, and completion rates  
12       of the students to whom awards are provided under this  
13       section. In doing so, the Secretary shall evaluate the im-  
14       pact of the Pell Grants Plus Program and report, not less  
15       than biennially, to the authorizing committees of the  
16       House of Representatives and the Senate.”.

17               (2) CONFORMING AMENDMENT.—Chapter 3 of  
18       subpart 2 of part A of title IV (20 U.S.C. 1070a–  
19       31 through 1070a–35) is repealed.

20       **SEC. 402. TRIO PROGRAMS.**

21               (a) DURATION OF GRANTS.—

22                       (1) AMENDMENT.—Section 402A(b)(2) (20  
23       U.S.C. 1070a–11(b)(2)) is amended to read as fol-  
24       lows:



1           “(2) DURATION.—Grants or contracts awarded  
2           under this chapter shall be awarded for a period of  
3           5 years, except that—

4                   “(A) grants under section 402G shall be  
5                   awarded for a period of 2 years; and

6                   “(B) grants under section 402H shall be  
7                   awarded for a period determined by the Sec-  
8                   retary.”.

9           (2) TRANSITION TO SYNCHRONOUS GRANT PE-  
10          RIODS.—Notwithstanding section 402A(b)(2) of the  
11          Higher Education Act of 1965 (as in effect both  
12          prior to and after the amendment made by para-  
13          graph (1) of this subsection), the Secretary of Edu-  
14          cation may continue an award made before the date  
15          of enactment of this Act under section 402B, 402C,  
16          402D, 402E, or 402F of such Act as necessary to  
17          permit all the awards made under such a section to  
18          expire at the end of the same fiscal year, and there-  
19          after to expire at the end of 5 years as provided in  
20          the amendment made by paragraph (1) of this sub-  
21          section.

22          (b) MINIMUM GRANTS.—Section 402A(b)(3) (20  
23          U.S.C. 1070a–11(b)(3)) is amended to read as follows:

24                   “(3) MINIMUM GRANTS.—Unless the institution  
25                   or agency requests a smaller amount, individual



1 grants for programs authorized under this chapter  
2 shall be no less than \$200,000, except that indi-  
3 vidual grants for programs authorized under section  
4 402G shall be no less than \$170,000.”.

5 (c) PRIOR EXPERIENCE; NOVICE APPLICANTS.—Sec-  
6 tion 402A(c)(2) (20 U.S.C. 1070a–11(c)(2)) is  
7 amended—

8 (1) by striking “In making grants” and insert-  
9 ing “(A) Subject to subparagraph (B), in making  
10 grants”; and

11 (2) by adding at the end the following new sub-  
12 paragraph:

13 “(B) From the amount available under sub-  
14 section (f) for a program under this chapter (other  
15 than a program under section 402G or 402H) for  
16 any fiscal year in which the Secretary conducts a  
17 competition for the award of grants or contracts  
18 under such program, the Secretary shall reserve 10  
19 percent of such available amount for purposes of  
20 funding applications from novice applicants. If the  
21 Secretary determines that there are an insufficient  
22 number of qualified novice applicants to utilize the  
23 amount so reserved, the Secretary shall restore the  
24 unutilized remainder of the amount reserved for use  
25 by applicants qualifying under subparagraph (A).”.



1 (d) APPLICATION STATUS.—Section 402A(c) (20  
2 U.S.C. 1070a–11(c)) is amended by striking paragraph  
3 (7).

4 (e) DOCUMENTATION OF STATUS.—Section 402A(e)  
5 (20 U.S.C. 1070a–11(e)) is amended by striking “(g)(2)”  
6 each place it appears in paragraphs (1) and (2) and insert-  
7 ing “(g)(4)”.

8 (f) AUTHORIZATION OF APPROPRIATIONS.—Section  
9 402A(f) (20 U.S.C. 1070a–11(f)) is amended by striking  
10 “\$700,000,000 for fiscal year 1999, and such sums as  
11 may be necessary for each of the 4 succeeding fiscal years”  
12 and inserting “\$836,500,000 for fiscal year 2006 and  
13 such sums as may be necessary for each of the 5 suc-  
14 ceeding fiscal years”.

15 (g) DEFINITION.—Section 402A(g) (20 U.S.C.  
16 1070a–11(g)) is amended—

17 (1) in paragraph (3), by striking “by reason of  
18 such individual’s age”;

19 (2) by redesignating paragraphs (1) through  
20 (4) as paragraphs (3) through (6), respectively; and

21 (3) by inserting before paragraph (3), as red-  
22 igned, the following:

23 “(1) DIFFERENT CAMPUS.—The term ‘different  
24 campus’ means an institutional site that—



1                   “(A) is geographically apart from the main  
2                   campus of the institution;

3                   “(B) is permanent in nature; and

4                   “(C) offers courses in educational pro-  
5                   grams leading to a degree, certificate, or other  
6                   recognized educational credential.

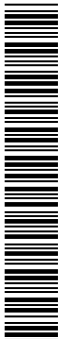
7                   “(2) DIFFERENT POPULATION.—The term ‘dif-  
8                   ferent population’ means a group of individuals, with  
9                   respect to whom an entity seeks to serve through an  
10                  application for funding under this chapter, that—

11                  “(A) is separate and distinct from any  
12                  other population that the entity seeks to serve  
13                  through an application for funding under this  
14                  chapter; or

15                  “(B) while sharing some of the same needs  
16                  as another population that the entity seeks to  
17                  serve through an application for funding under  
18                  this chapter, has distinct needs for specialized  
19                  services.”.

20                  (h) EDUCATION AND COUNSELING SERVICES.—  
21                  Chapter 1 of subpart 2 of part A of title IV is further  
22                  amended—

23                  (1) in section 402B(b) (20 U.S.C. 1070a–  
24                  12(b))—



1 (A) by redesignating paragraphs (3)  
2 through (10) as paragraphs (4) through (11),  
3 respectively;

4 (B) by inserting after paragraph (2) the  
5 following:

6 “(3) education or counseling services designed  
7 to improve the financial literacy and economic lit-  
8 eracy of students and, as appropriate, their par-  
9 ents;”; and

10 (C) in paragraph (11), as redesignated by  
11 subparagraph (A), by striking “paragraphs (1)  
12 through (9)” and inserting “paragraphs (1)  
13 through (10)”;

14 (2) in section 402C (20 U.S.C. 1070a-13)—

15 (A) in subsection (b)—

16 (i) by redesignating paragraphs (2)  
17 through (12) as paragraphs (3) through  
18 (13), respectively;

19 (ii) by inserting after paragraph (1)  
20 the following:

21 “(2) education or counseling services designed  
22 to improve the financial literacy and economic lit-  
23 eracy of students and, as appropriate, their par-  
24 ents;”; and



1 (iii) in paragraph (13), as redesign-  
2 nated by clause (i), by striking “para-  
3 graphs (1) through (11)” and inserting  
4 “paragraphs (1) through (12)”; and

5 (B) in subsection (e), by striking “sub-  
6 section (b)(10)” and inserting “subsection  
7 (b)(11)”;

8 (3) in section 402D(b) (20 U.S.C. 1070a–  
9 14(b))—

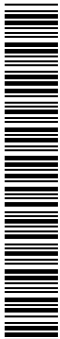
10 (A) by redesignating paragraphs (2)  
11 through (10) as paragraphs (3) through (11),  
12 respectively;

13 (B) by inserting after paragraph (1) the  
14 following:

15 “(2) education or counseling services designed  
16 to improve the financial literacy and economic lit-  
17 eracy of students and, as appropriate, their par-  
18 ents;”; and

19 (C) in paragraph (11), as redesignated by  
20 subparagraph (A), by striking “paragraphs (1)  
21 through (9)” and inserting “paragraphs (1)  
22 through (10)”;

23 (4) in section 402E(b) (20 U.S.C. 1070a–  
24 15(b))—



1 (A) by redesignating paragraphs (7) and  
2 (8) as paragraphs (8) and (9), respectively; and  
3 (B) by inserting after paragraph (6) the  
4 following:

5 “(7) education or counseling services designed  
6 to improve the financial literacy and economic lit-  
7 eracy of students and, as appropriate, their par-  
8 ents;”; and

9 (5) in section 402F(b) (20 U.S.C. 1070a–  
10 16(b))—

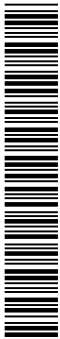
11 (A) by redesignating paragraphs (4)  
12 through (10) as paragraphs (5) through (11),  
13 respectively;

14 (B) by inserting after paragraph (3) the  
15 following:

16 “(4) education or counseling services designed  
17 to improve the financial literacy and economic lit-  
18 eracy of students and, as appropriate, their par-  
19 ents;”; and

20 (C) in paragraph (11), as redesignated by  
21 subparagraph (A), by striking “paragraphs (1)  
22 through (9)” and inserting “paragraphs (1)  
23 through (10)”.

24 (i) MAXIMUM STIPENDS.—Section 402C(e) (20  
25 U.S.C. 1070a–13(e)) is amended—



1 (1) by striking “\$60” and inserting “\$100”;  
2 and

3 (2) by striking “\$40” and inserting “\$60”.

4 (j) STUDENT SUPPORT SERVICES.—Section  
5 402D(d)(6) (20 U.S.C. 1070a–14(d)(6)) is amended—

6 (1) by striking “and” at the end of subpara-  
7 graph (A);

8 (2) by striking the period at the end of sub-  
9 paragraph (B) and inserting “; and”; and

10 (3) by inserting after subparagraph (B) the fol-  
11 lowing new subparagraph:

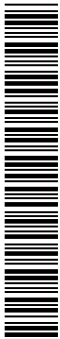
12 “(C) working with other entities that serve  
13 low-income working adults to increase access to  
14 and successful progress in postsecondary edu-  
15 cation by low-income working adults seeking  
16 their first postsecondary degree or certificate.”.

17 (k) POSTBACCALAUREATE ACHIEVEMENT MAXIMUM  
18 STIPENDS.—Section 402E(e)(1) (20 U.S.C. 1070a–  
19 15(e)(1)) is amended by striking “\$2,800” and inserting  
20 “\$5,000”.

21 (l) EDUCATIONAL OPPORTUNITY CENTERS: APPLICA-  
22 TION APPROVAL.—Section 402F(c) (20 U.S.C. 1070a–  
23 16(c)) is amended—

24 (1) by striking “and” at the end of paragraph

25 (2);



1 (2) by striking the period at the end of para-  
2 graph (3) and inserting “; and”; and

3 (3) by inserting after paragraph (3) the fol-  
4 lowing new paragraph:

5 “(4) consider the extent to which the proposed  
6 project would provide services to low-income working  
7 adults in the region to be served, in order to in-  
8 crease access to postsecondary education by low-in-  
9 come working adults.”.

10 **SEC. 403. GEARUP.**

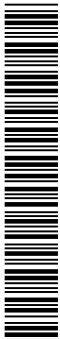
11 (a) DURATION OF AWARDS.—Section 404A(b) (20  
12 U.S.C. 1070a–21(b)) is amended—

13 (1) in paragraph (2)(B), by striking “Higher  
14 Education Amendments of 1998” and inserting  
15 “College Access and Opportunity Act of 2005”; and

16 (2) by adding at the end thereof the following  
17 new paragraph:

18 “(3) DURATION.—An award made by the Sec-  
19 retary under this chapter to an eligible entity de-  
20 scribed in paragraph (1) or (2) of subsection (c)  
21 shall be for the period of 6 years.”.

22 (b) CONTINUING ELIGIBILITY.—Section 404A (20  
23 U.S.C. 1070a–21) is amended by adding at the end the  
24 following new subsection:



1 “(d) CONTINUING ELIGIBILITY.—An eligible entity  
2 shall not cease to be an eligible entity upon the expiration  
3 of any grant under this chapter (including a continuation  
4 award).”.

5 (c) CONTINUITY OF SERVICE.—

6 (1) COHORT APPROACH.—Section  
7 404B(g)(1)(B) (20 U.S.C. 1070a–22(g)(1)(B)) is  
8 amended by inserting “and provide the option of  
9 continued services through the student’s first year of  
10 attendance at an eligible institution of higher edu-  
11 cation” after “grade level”.

12 (2) EARLY INTERVENTION.—Section 404D (20  
13 U.S.C. 1070a–24) is amended—

14 (A) in subsection (b)(2)(A), by inserting  
15 “and students in the first year of attendance at  
16 an eligible institution of higher education” after  
17 “grade 12”; and

18 (B) in subsection (c), by inserting “, and  
19 may consider students in their first year of at-  
20 tendance at an eligible institution,” after  
21 “grade 12”.

22 (d) COORDINATION.—Section 404C(a)(2) (20 U.S.C.  
23 1070a–23(a)(2)) is amended—

24 (1) by striking “and” at the end of subpara-  
25 graph (A);



1 (2) by redesignating subparagraph (B) as sub-  
2 paragraph (C); and

3 (3) by inserting after subparagraph (A) the fol-  
4 lowing new subparagraph:

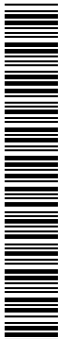
5 “(B) describe activities for coordinating,  
6 complementing, and enhancing services under  
7 this chapter provided by other eligible entities  
8 in the State; and”.

9 (e) EDUCATION AND COUNSELING SERVICES.—Sec-  
10 tion 404D(b)(2)(A)(ii) (20 U.S.C. 1070a–24(b)(2)(A)(ii))  
11 is amended by striking “and academic counseling” and in-  
12 serting “academic counseling, and financial literacy and  
13 economic literacy education or counseling”.

14 (f) REAUTHORIZATION.—Section 404H (20 U.S.C.  
15 1070a–28) is amended by striking “\$200,000,000 for fis-  
16 cal year 1999 and such sums as may be necessary for each  
17 of the 4 succeeding fiscal years” and inserting  
18 “\$306,500,000 for fiscal year 2006 and such sums as may  
19 be necessary for each of the 5 succeeding fiscal years”.

20 **SEC. 404. FEDERAL SUPPLEMENTAL EDUCATIONAL OPPOR-**  
21 **TUNITY GRANTS.**

22 (a) AUTHORIZATION OF APPROPRIATIONS.—Section  
23 413A(b)(1) (20 U.S.C. 1070b(b)(1)) is amended by strik-  
24 ing “\$675,000,000 for fiscal year 1999 and such sums  
25 as may be necessary for the 4 succeeding fiscal years” and



1 inserting “\$779,000,000 for fiscal year 2006 and such  
2 sums as may be necessary for the 5 succeeding fiscal  
3 years”.

4 (b) PHASEOUT OF ALLOCATION BASED ON PREVIOUS  
5 ALLOCATIONS.—

6 (1) AMENDMENT.—Subsection (a) of section  
7 413D (20 U.S.C. 1070b–3(a)) is amended to read as  
8 follows:

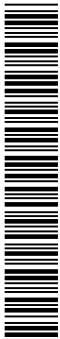
9 “(a) ALLOCATION BASED ON PREVIOUS ALLOCA-  
10 TION.—

11 “(1) BASE GUARANTEE.—From the amount ap-  
12 propriated pursuant to section 413A(b) for each fis-  
13 cal year after fiscal year 2007, the Secretary shall,  
14 subject to paragraph (2), first allocate to each eligi-  
15 ble institution an amount equal to the following per-  
16 centage of the amount such institution received  
17 under subsection (a) of this section for fiscal year  
18 2007 (as such subsection was in effect with respect  
19 to allocations for such fiscal year):

20 “(A) 80 percent for fiscal years 2008 and  
21 2009;

22 “(B) 60 percent for fiscal years 2010 and  
23 2011;

24 “(C) 40 percent for fiscal years 2012 and  
25 2013;



1                   “(D) 20 percent for fiscal years 2014 and  
2                   2015; and

3                   “(E) 0 percent for fiscal year 2016 and  
4                   any succeeding fiscal year.

5                   “(2) RATABLE REDUCTIONS FOR INSUFFICIENT  
6                   APPROPRIATIONS.—

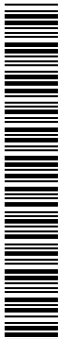
7                   “(A) REDUCTION OF BASE GUARANTEE.—

8                   If the amount appropriated for any fiscal year  
9                   is less than the amount required to be allocated  
10                  to all institutions under this subsection, then  
11                  the amount of the allocation to each such insti-  
12                  tution shall be ratably reduced.

13                  “(B) ADDITIONAL APPROPRIATIONS ALLO-  
14                  CATION.—If additional amounts are appro-  
15                  priated for any such fiscal year, such reduced  
16                  amounts shall be increased on the same basis as  
17                  they were reduced (until the amount allocated  
18                  equals the amount required to be allocated  
19                  under this subsection).

20                  “(3) ADDITIONAL ALLOCATIONS FOR CERTAIN  
21                  INSTITUTIONS.—

22                  “(A) ALLOCATIONS PERMITTED.—Notwith-  
23                  standing any other provision of this section, the  
24                  Secretary may allocate an amount equal to not  
25                  more than 10 percent of the amount by which



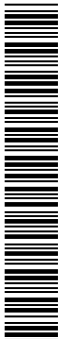
1 the amount appropriated in any fiscal year to  
2 carry out this subpart exceeds \$700,000,000  
3 among eligible institutions described in sub-  
4 paragraph (B).

5 “(B) ELIGIBLE INSTITUTIONS.—For pur-  
6 poses of subparagraph (A)—

7 “(i) an eligible institution that is a 4-  
8 year institution may receive an allocation  
9 under subparagraph (A) if more than 50  
10 percent of the students who are degree-  
11 seeking Pell Grant recipients attending  
12 such institution graduate within 4 calendar  
13 years of the first day of enrollment; and

14 “(ii) an eligible institution that is a 2-  
15 year institution may receive an allocation  
16 under subparagraph (A) if more than 50  
17 percent of the students who are degree-  
18 seeking Pell Grant recipients attending  
19 such institution graduate within 2 calendar  
20 years of the first day of enrollment.”.

21 (2) EFFECTIVE DATE.—The amendment made  
22 by paragraph (1) shall apply with respect to any  
23 amounts appropriated under section 413A(b) of the  
24 Higher Education Act of 1965 (20 U.S.C. 1070b(b))  
25 for fiscal year 2008 or any succeeding fiscal year.



1 (c) BOOKS AND SUPPLIES.—Section 413D(c)(3)(D)  
2 (20 U.S.C. 1070–3(c)(3)(D)) is amended by striking  
3 “\$450” and inserting “\$600”.

4 **SEC. 405. LEAP.**

5 Section 415A(b)(1) (20 U.S.C. 1070c(b)(1)) is  
6 amended—

7 (1) by striking “1999” and inserting “2006”;  
8 and

9 (2) by striking “4 succeeding” and inserting “5  
10 succeeding”.

11 **SEC. 406. HEP/CAMP PROGRAM.**

12 Section 418A (20 U.S.C. 1070d–2) is amended—

13 (1) in subsection (b)(1)(B)(i), by inserting “, or  
14 whose spouse” after “themselves”;

15 (2) in subsection (b)(3)(B), by inserting “, in-  
16 cluding preparation for college entrance exams,”  
17 after “program”;

18 (3) in subsection (b)(8), by inserting “, includ-  
19 ing child care and transportation” after “supportive  
20 services”;

21 (4) by striking “and” at the end of subsection  
22 (b)(7), by striking the period at the end of sub-  
23 section (b)(8) and inserting “; and”, and by adding  
24 at the end of subsection (b) the following new para-  
25 graph:



1 “(9) follow-up activity and reporting require-  
2 ments, except that not more than 2 percent of the  
3 funds provided under this section may be used for  
4 such purposes.”;

5 (5) in subsection (c)(1)(A), by inserting “, or  
6 whose spouse” after “themselves”;

7 (6) in subsection (c)(1)(B), by striking clause  
8 (i) and inserting the following:

9 “(i) personal, academic, career, and eco-  
10 nomic education or personal finance counseling  
11 as an ongoing part of the program;”;

12 (7) in subsection (c)(2)(B), by inserting “(in-  
13 cluding mentoring and guidance of such students)”  
14 after “services”;

15 (8) in subsection (c)(2), by striking “and” at  
16 the end of subparagraph (A), by striking the period  
17 at the end of subparagraph (B) and inserting “;  
18 and”, and by adding at the end of subsection (c)(2)  
19 the following new subparagraph:

20 “(C) for students in any program that  
21 does not award a bachelor’s degree, encour-  
22 aging the transfer to, and persistence in, such  
23 a program, and monitoring the rate of such  
24 transfer, persistence, and completion.”;



1 (9) in subsection (e), by striking “section  
2 402A(c)(1)” and inserting “section 402A(c)(2”;  
3 and

4 (10) in subsection (h)—

5 (A) in paragraph (1), by striking  
6 “\$15,000,000 for fiscal year 1999 and such  
7 sums as may be necessary for each of the 4  
8 succeeding fiscal years” and inserting  
9 “\$24,000,000 for fiscal year 2006 and such  
10 sums as may be necessary for each of the 5  
11 succeeding fiscal years”; and

12 (B) in paragraph (2), by striking  
13 “\$5,000,000 for fiscal year 1999 and such  
14 sums as may be necessary for each of the 4  
15 succeeding fiscal years” and inserting  
16 “\$16,000,000 for fiscal year 2006 and such  
17 sums as may be necessary for each of the 5  
18 succeeding fiscal years”.

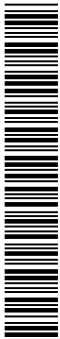
19 **SEC. 407. BYRD SCHOLARSHIP.**

20 Section 419K (20 U.S.C. 1070d–41) is amended—

21 (1) by striking “1999” and inserting “2006”;

22 and

23 (2) by striking “4 succeeding” and inserting “5  
24 succeeding”.



1 **SEC. 408. CHILD CARE ACCESS.**

2 Section 419N(g) (20 U.S.C. 1070e(g)) is amended—

3 (1) by striking “1999” and inserting “2006”;

4 and

5 (2) by striking “4 succeeding” and inserting “5

6 succeeding”.

7 **SEC. 409. LEARNING ANYTIME ANYWHERE PARTNERSHIPS.**

8 (a) REPEAL.—Subpart 8 of part A of title IV (20

9 U.S.C. 1070f—1070f–6) is repealed.

10 (b) CONFORMING AMENDMENT.—Section 400(b) (20

11 U.S.C. 1070(b)) is amended by striking “through 8” and

12 inserting “through 7”.

13 **SEC. 410. TECHNICAL AMENDMENTS.**

14 Part A of title IV is further amended as follows:

15 (1) Section 419C(b)(1) (20 U.S.C. 1070d–

16 33(b)(1)) is amended by inserting “and” after the

17 semicolon at the end thereof.

18 (2) Section 419D(d) (20 U.S.C. 1070d–34(d))

19 is amended by striking “Public Law 95–1134” and

20 inserting “Public Law 95–134”.

21 **PART 2—FEDERAL FAMILY EDUCATION LOAN**

22 **PROGRAM**

23 **SEC. 421. REAUTHORIZATION OF FEDERAL FAMILY EDU-**

24 **CATION LOAN PROGRAM.**

25 (a) AUTHORIZATION OF APPROPRIATIONS.—Section

26 421(b)(5) (20 U.S.C. 1071(b)(5)) is amended by striking



1 “administrative cost allowance” and inserting “loan proc-  
2 essing and issuance fee”.

3 (b) EXTENSION OF AUTHORITY.—

4 (1) FEDERAL INSURANCE LIMITATIONS.—Section  
5 tion 424(a) (20 U.S.C. 1074(a)) is amended—

6 (A) by striking “2004” and inserting  
7 “2012”; and

8 (B) by striking “2008” and inserting  
9 “2016”.

10 (2) GUARANTEED LOANS.—Section 428(a)(5)  
11 (20 U.S.C. 1078(a)(5)) is amended—

12 (A) by striking “2004” and inserting  
13 “2012”; and

14 (B) by striking “2008” and inserting  
15 “2016”.

16 (3) CONSOLIDATION LOANS.—Section 428C(e)  
17 (20 U.S.C. 1078–3(e)) is amended by striking  
18 “2004” and inserting “2012”.

19 **SEC. 422. LOAN LIMITS.**

20 (a) FEDERAL INSURANCE LIMITS.—Section  
21 425(a)(1)(A) (20 U.S.C. 1075(a)(1)(A)) is amended—

22 (1) in clause (i)(I), by striking “\$2,625” and  
23 inserting “\$3,500”; and

24 (2) in clause (ii)(I), by striking “\$3,500” and  
25 inserting “\$4,500”.



1 (b) GUARANTEE LIMITS.—Section 428(b)(1)(A) (20  
2 U.S.C. 1078(b)(1)(A)) is amended—

3 (1) in clause (i)(I), by striking “\$2,625” and  
4 inserting “\$3,500”; and

5 (2) in clause (ii)(I), by striking “\$3,500” and  
6 inserting “\$4,500”.

7 (c) COUNTING OF CONSOLIDATION LOANS AGAINST  
8 LIMITS.—Section 428C(a)(3)(B) (20 U.S.C. 1078–  
9 3(a)(3)(B)) is amended by adding at the end the following  
10 new clause:

11 “(ii) Loans made under this section shall, to  
12 the extent used to discharge loans made under this  
13 title, be counted against the applicable limitations on  
14 aggregate indebtedness contained in sections  
15 425(a)(2), 428(b)(1)(B), 428H(d), 455, and  
16 464(a)(2)(B).”.

17 (d) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply with respect to any loan made, in-  
19 sured, or guaranteed under part B or part D of title IV  
20 of the Higher Education Act of 1965 for which the first  
21 disbursement of principal is made on or after July 1,  
22 2007.

23 **SEC. 423. INTEREST RATES AND SPECIAL ALLOWANCES.**

24 (a) FFEL INTEREST RATE.—Section 427A (20  
25 U.S.C. 1077a(k)) is amended—



1 (1) in subsection (k)—

2 (A) by striking “, AND BEFORE JULY 1,  
3 2006” in the heading of such subsection; and

4 (B) by striking “, and before July 1,  
5 2006,” each place it appears other than para-  
6 graph (4);

7 (2) by striking subsection (l); and

8 (3) by redesignating subsections (m) and (n) as  
9 subsections (l) and (m), respectively.

10 (b) DIRECT LOAN INTEREST RATES.—Section  
11 455(b) (20 U.S.C. 1087e(b)) is amended—

12 (1) in paragraph (6)—

13 (A) by striking “, AND BEFORE JULY 1,  
14 2006” in the heading of such paragraph; and

15 (B) by striking “, and before July 1,  
16 2006,” each place it appears other than sub-  
17 paragraph (D);

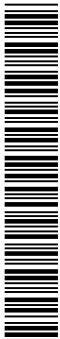
18 (2) by striking paragraph (7); and

19 (3) by redesignating paragraphs (8) and (9) as  
20 paragraphs (7) and (8), respectively.

21 (c) CONSOLIDATION LOANS.—

22 (1) FFEL CONSOLIDATION LOANS.—Section  
23 427A(k) (20 U.S.C. 1077a(k)) is further amended—

24 (A) by redesignating paragraph (5) as  
25 paragraph (6); and



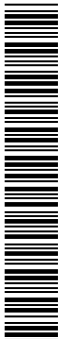
1 (B) by inserting after paragraph (4) the  
2 following new paragraph:

3 “(5) VARIABLE RATE FOR CONSOLIDATION  
4 LOANS.—With respect to any consolidation loan  
5 under section 428C for which the application is re-  
6 ceived by an eligible lender on or after July 1, 2006,  
7 the applicable rate of interest shall, during any 12-  
8 month period beginning on July 1 and ending on  
9 June 30, be determined on the preceding June 1  
10 and be equal to—

11 “(A) the bond equivalent rate of 91-day  
12 Treasury bills auctioned at the final auction  
13 held prior to such June 1; plus

14 “(B) 2.3 percent,  
15 except that such rate shall not exceed 8.25 percent,  
16 and the rate determined under paragraph (3) shall  
17 apply in lieu of the rate determined under this para-  
18 graph in the case of any such consolidation loan that  
19 is used to repay loans each of which was made under  
20 section 428B or was a Federal Direct PLUS Loan  
21 (or both).”.

22 (2) DIRECT CONSOLIDATION LOANS.—Section  
23 455(b)(6) (20 U.S.C. 1087e(b)(6)) is further  
24 amended—



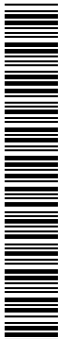
1 (A) by redesignating subparagraph (E) as  
2 subparagraph (F); and

3 (B) by inserting after subparagraph (D)  
4 the following new subparagraph:

5 “(E) VARIABLE RATE FOR CONSOLIDATION  
6 LOANS.—With respect to any Federal Direct  
7 Consolidation loan for which the application is  
8 received on or after July 1, 2006, the applicable  
9 rate of interest shall, during any 12-month pe-  
10 riod beginning on July 1 and ending on June  
11 30, be determined on the preceding June 1 and  
12 be equal to—

13 “(i) the bond equivalent rate of 91-  
14 day Treasury bills auctioned at the final  
15 auction held prior to such June 1; plus

16 “(ii) 2.3 percent,  
17 except that such rate shall not exceed 8.25 per-  
18 cent, and the rate determined under subpara-  
19 graph (C) shall apply in lieu of the rate deter-  
20 mined under this subparagraph in the case of  
21 any such consolidation loan that is used to  
22 repay loans each of which was made under sec-  
23 tion 428B or was a Federal Direct PLUS Loan  
24 (or both).”.



1 (d) CONSOLIDATION LOAN CONFORMING AMEND-  
2 MENT.—Section 428C(c)(1)(A)(ii) (20 U.S.C. 1078–  
3 3(c)(1)(A)(ii)) is amended by striking “section  
4 427A(l)(3)” and inserting “section 427A(k)(5)”.

5 (e) CONFORMING AMENDMENTS FOR SPECIAL AL-  
6 LOWANCES.—

7 (1) AMENDMENT.—Subparagraph (I) of section  
8 438(b)(2) (20 U.S.C. 1087–1(b)(2)) is amended—

9 (A) by striking clause (ii) and inserting the  
10 following:

11 “(ii) IN SCHOOL AND GRACE PE-  
12 RIOD.—In the case of any loan for which  
13 the first disbursement is made on or after  
14 January 1, 2000, and for which the appli-  
15 cable interest rate is described in section  
16 427A(k)(2), clause (i)(III) of this subpara-  
17 graph shall be applied by substituting  
18 ‘1.74 percent’ for ‘2.34 percent’.”;

19 (B) in clause (iii)—

20 (i) by striking “or (l)(2)”; and

21 (ii) by striking “, subject to clause (v)  
22 of this subparagraph”;

23 (C) in clause (iv)—

24 (i) by striking “or (l)(3)” and insert-  
25 ing “or (k)(5)”; and

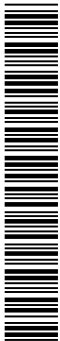


1 (ii) by striking “, subject to clause  
2 (vi) of this subparagraph”; and  
3 (D) by striking clauses (v), (vi), and (vii)  
4 and inserting the following:

5 “(v) RECAPTURE OF EXCESS INTER-  
6 EST.—

7 “(I) EXCESS CREDITED.—With  
8 respect to a loan on which the applica-  
9 ble interest rate is determined under  
10 section 427A(k) and for which the  
11 first disbursement of principal is  
12 made on or after July 1, 2006, if the  
13 applicable interest rate for any 3-  
14 month period exceeds the special al-  
15 lowance support level applicable to  
16 such loan under this subparagraph for  
17 such period, then an adjustment shall  
18 be made by calculating the excess in-  
19 terest in the amount computed under  
20 subclause (II) of this clause, and by  
21 crediting the excess interest to the  
22 Government not less often than annu-  
23 ally.

24 “(II) CALCULATION OF EX-  
25 CESS.—The amount of any adjust-



1                   ment of interest on a loan to be made  
2                   under this subsection for any quarter  
3                   shall be equal to—

4                   “(aa) the applicable interest  
5                   rate minus the special allowance  
6                   support level determined under  
7                   this subparagraph; multiplied by

8                   “(bb) the average daily prin-  
9                   cipal balance of the loan (not in-  
10                  cluding unearned interest added  
11                  to principal) during such cal-  
12                  endar quarter; divided by

13                  “(cc) four.

14                  “(III) SPECIAL ALLOWANCE SUP-  
15                  PORT LEVEL.—For purposes of this  
16                  clause, the term ‘special allowance  
17                  support level’ means, for any loan, a  
18                  number expressed as a percentage  
19                  equal to the sum of the rates deter-  
20                  mined under subclauses (I) and (III)  
21                  of clause (i), and applying any substi-  
22                  tution rules applicable to such loan  
23                  under clauses (ii), (iii), and (iv) in de-  
24                  termining such sum.”.



1           (2) EFFECTIVE DATE.—The amendments made  
2       by this subsection shall not apply with respect to  
3       any special allowance payment made under section  
4       438 of the Higher Education Act of 1965 (20 U.S.C  
5       1087–1) before July 1, 2006.

6   **SEC. 424. ADDITIONAL LOAN TERMS AND CONDITIONS.**

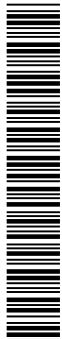
7       (a) FEDERAL DEFAULT FEES.—

8           (1) IN GENERAL.—Subparagraph (H) of section  
9       428(b)(1)) (20 U.S.C. 1078(b)(1)(H)) is amended to  
10      read as follows:

11               “(H) provides—

12                       “(i) for the collection of a single in-  
13                       surance premium equal to not more than  
14                       1.0 percent of the principal amount of the  
15                       loan, by deduction proportionately from  
16                       each installment payment of the proceeds  
17                       of the loan to the borrower, and insures  
18                       that the proceeds of the premium will not  
19                       be used for incentive payments to lenders;  
20                       or

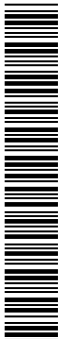
21                       “(ii) for loans for which the first dis-  
22                       bursement of principal is made on or after  
23                       July 1, 2006, provides for the collection  
24                       and deposit into the Federal Student Loan  
25                       Reserve Fund under section 422A of a



1 Federal default fee of 1.0 percent of the  
2 principal amount of such loan, obtained by  
3 deduction proportionately from each in-  
4 stallment payment of the proceeds of the  
5 loan to the borrower, and insures that the  
6 proceeds of the Federal default fee will not  
7 be used for incentive payments to lend-  
8 ers;”.

9 (2) UNSUBSIDIZED LOANS.—Section 428H(h)  
10 (20 U.S.C. 1078–8(h)) is amended by adding at the  
11 end the following new sentence: “In lieu of the in-  
12 surance premium authorized under the preceding  
13 sentence, and effective for loans for which the first  
14 disbursement of principal is made on or after July  
15 1, 2006, each State or nonprofit private institution  
16 or organization having an agreement with the Sec-  
17 retary under section 428(b)(1) shall collect and de-  
18 posit into the Federal Student Loan Reserve Fund  
19 under section 422A a Federal default fee of 1.0 per-  
20 cent of the principal amount of the loan, obtained by  
21 deduction proportionately from each installment pay-  
22 ment of the proceeds of the loan to the borrower.”.

23 (3) VOLUNTARY FLEXIBLE AGREEMENTS.—Sec-  
24 tion 428A(a)(1) (20 U.S.C. 1078–1(a)(1)) is  
25 amended—



1 (A) by striking “or” at the end of subpara-  
2 graph (A);

3 (B) by striking the period at the end of  
4 subparagraph (B) and inserting “; or”; and

5 (C) by adding at the end the following new  
6 subparagraph:

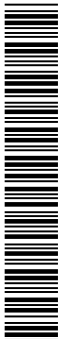
7 “(C) the Federal default fee required by  
8 section 428(b)(1)(H) and the second sentence  
9 of section 428H(h).”.

10 (b) DISBURSEMENT.—Section 428(b)(1)(N) (20  
11 U.S.C. 1078(b)(1)(N)(ii)) is amended—

12 (1) by striking “or” at the end of clause (i);  
13 and

14 (2) by striking clause (ii) and inserting the fol-  
15 lowing:

16 “(ii) in the case of a student who is  
17 studying outside the United States in a  
18 program of study abroad that is approved  
19 for credit by the home institution at which  
20 such student is enrolled, are, at the re-  
21 quest of the student, disbursed directly to  
22 the student by the means described in  
23 clause (i), unless such student requests  
24 that the check be endorsed, or the funds



1 transfer authorized, pursuant to an au-  
2 thorized power-of-attorney; or

3 “(iii) in the case of a student who is  
4 studying outside the United States in a  
5 program of study at an eligible foreign in-  
6 stitution, are, at the request of the foreign  
7 institution, disbursed directly to the stu-  
8 dent by the means described in clause  
9 (i).”.

10 (c) REPAYMENT PLANS.—

11 (1) FFEL LOANS.—Section 428(b)(9)(A) (20  
12 U.S.C. 1078(b)(9)(A)) is amended—

13 (A) by inserting before the semicolon at  
14 the end of clause (ii) the following: “, and the  
15 Secretary may not restrict the proportions or  
16 ratios by which such payments may be grad-  
17 uated with the informed agreement of the bor-  
18 rower”;

19 (B) by striking “and” at the end of clause  
20 (iii);

21 (C) by redesignating clause (iv) as clause  
22 (v); and

23 (D) by inserting after clause (iii) the fol-  
24 lowing new clause:



1 “(iv) a delayed repayment plan under  
2 which the borrower makes scheduled pay-  
3 ments for not more than 2 years that are  
4 annually not less than the amount of inter-  
5 est due or \$600, whichever is greater, and  
6 then makes payments in accordance with  
7 clause (i), (ii), or (iii); and”.

8 (2) DIRECT LOANS.—Section 455(d)(1) (20  
9 U.S.C. 1087e(d)(1)) is amended—

10 (A) by redesignating subparagraph (D) as  
11 subparagraph (E); and

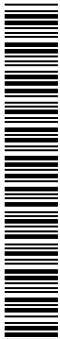
12 (B) by striking subparagraphs (A), (B),  
13 and (C) and inserting the following:

14 “(A) a standard repayment plan, con-  
15 sistent with subsection (a)(1) of this section  
16 and with section 428(b)(9)(A)(i);

17 “(B) a graduated repayment plan, con-  
18 sistent with section 428(b)(9)(A)(ii);

19 “(C) an extended repayment plan, con-  
20 sistent with section 428(b)(9)(A)(iv), except  
21 that the borrower shall annually repay a min-  
22 imum amount determined by the Secretary in  
23 accordance with section 428(b)(1)(L);

24 “(D) a delayed repayment plan under  
25 which the borrower makes scheduled payments



1 for not more than 2 years that are annually not  
2 less than the amount of interest due or \$600,  
3 whichever is greater, and then makes payments  
4 in accordance with subparagraph (A), (B), or  
5 (C); and”.

6 (d) ORIGINATION FEES.—

7 (1) FFEL PROGRAM.—Paragraph (2) of section  
8 438(c) (20 U.S.C. 1087–1(c)) is amended—

9 (A) by striking the designation and head-  
10 ing of such paragraph and inserting the fol-  
11 lowing:

12 “(2) AMOUNT OF ORIGINATION FEES.—

13 “(A) IN GENERAL.—”; and

14 (B) by adding at the end the following new  
15 subparagraph:

16 “(B) SUBSEQUENT REDUCTIONS.—Sub-  
17 paragraph (A) shall be applied to loans made  
18 under this part (other than loans made under  
19 sections 428C and 439(o))—

20 “(i) by substituting ‘2.0 percent’ for  
21 ‘3.0 percent’ with respect to loans for  
22 which the first disbursement of principal is  
23 made on or after July 1, 2006, and before  
24 July 1, 2007;



1 “(ii) by substituting ‘1.5 percent’ for  
2 ‘3.0 percent’ with respect to loans for  
3 which the first disbursement of principal is  
4 made on or after July 1, 2007, and before  
5 July 1, 2008;

6 “(iii) by substituting ‘1.0 percent’ for  
7 ‘3.0 percent’ with respect to loans for  
8 which the first disbursement of principal is  
9 made on or after July 1, 2008, and before  
10 July 1, 2009;

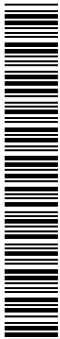
11 “(iv) by substituting ‘0.5 percent’ for  
12 ‘3.0 percent’ with respect to loans for  
13 which the first disbursement of principal is  
14 made on or after July 1, 2009, and before  
15 July 1, 2010; and

16 “(v) by substituting ‘0.0 percent’ for  
17 ‘3.0 percent’ with respect to loans for  
18 which the first disbursement of principal is  
19 made on or after July 1, 2010.”.

20 (2) DIRECT LOAN PROGRAM.—Subsection (c) of  
21 section 455 (20 U.S.C. 1087e(c)) is amended to  
22 read as follows:

23 “(c) LOAN FEE.—

24 “(1) IN GENERAL.—The Secretary shall charge  
25 the borrower of a loan made under this part an



1 origination fee of 4.0 percent of the principal  
2 amount of loan.

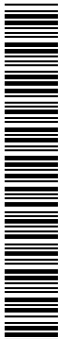
3 “(2) SUBSEQUENT REDUCTION.—Paragraph  
4 (1) shall be applied to loans made under this part,  
5 other than consolidation loans and PLUS loans—

6 “(A) by substituting ‘not more or less than  
7 3.0 percent’ for ‘4.0 percent’ with respect to  
8 loans for which the first disbursement of prin-  
9 cipal is made on or after July 1, 2006, and be-  
10 fore July 1, 2007;

11 “(B) by substituting ‘not more or less than  
12 2.5 percent’ for ‘4.0 percent’ with respect to  
13 loans for which the first disbursement of prin-  
14 cipal is made on or after July 1, 2007, and be-  
15 fore July 1, 2008;

16 “(C) by substituting ‘not more or less than  
17 2.0 percent’ for ‘4.0 percent’ with respect to  
18 loans for which the first disbursement of prin-  
19 cipal is made on or after July 1, 2008, and be-  
20 fore July 1, 2009;

21 “(D) by substituting ‘not more or less than  
22 1.5 percent’ for ‘4.0 percent’ with respect to  
23 loans for which the first disbursement of prin-  
24 cipal is made on or after July 1, 2009, and be-  
25 fore July 1, 2010; and



1           “(E) by substituting ‘not more or less than  
2           1.0 percent’ for ‘4.0 percent’ with respect to  
3           loans for which the first disbursement of prin-  
4           cipal is made on or after July 1, 2010.

5           “(3) WAIVERS AND REPAYMENT INCENTIVES  
6           PROHIBITED.—Beginning with loans made on or  
7           after July 1, 2006, the Secretary is prohibited—

8           “(A) from waiving any amount of the loan  
9           fee prescribed under this section as part of a  
10          repayment incentive in 455(b)(7); and

11          “(B) from providing any repayment incen-  
12          tive before the borrower enters repayment.”.

13   **SEC. 425. CONSOLIDATION LOAN CHANGES.**

14          (a) CROSS-CONSOLIDATION BETWEEN PROGRAMS.—  
15   Section 428C (20 U.S.C. 1078–3) is amended—

16          (1) in subsection (a)(3)(B)(i)—

17                  (A) by inserting “or under section 455(g)”  
18                  after “under this section” both places it ap-  
19                  pears;

20                  (B) by inserting “under both sections”  
21                  after “terminates”

22                  (C) by striking “and” at the end of sub-  
23                  clause (III);

24                  (D) by striking the period at the end of  
25                  subclause (IV) and inserting “; and”; and



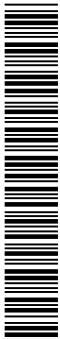
1 (E) by adding at the end the following new  
2 subclause:

3 “(V) an individual may obtain a subse-  
4 quent consolidation loan under section 455(g)  
5 only for the purposes of obtaining an income  
6 contingent repayment plan.”; and

7 (2) in subsection (b)(5), by striking the first  
8 sentence and inserting the following: “In the event  
9 that a lender with an agreement under subsection  
10 (a)(1) of this section denies a consolidation loan ap-  
11 plication submitted to it by an eligible borrower  
12 under this section, or denies an application sub-  
13 mitted to it by such a borrower for a consolidation  
14 loan with income-sensitive repayment terms, the Sec-  
15 retary shall offer any such borrower who applies for  
16 it, a direct consolidation loan.”.

17 (b) REPEAL OF IN-SCHOOL CONSOLIDATION.—

18 (1) DEFINITION OF REPAYMENT PERIOD.—Sec-  
19 tion 428(b)(7)(A) (20 U.S.C. 1078(b)(7)(A)) is  
20 amended by striking “shall begin—” and all that  
21 follows through “earlier date.” and inserting the fol-  
22 lowing: “shall begin the day after 6 months after the  
23 date the student ceases to carry at least one-half the  
24 normal full-time academic workload (as determined  
25 by the institution).”.



1           (2) CONFORMING CHANGE TO ELIGIBLE BOR-  
2       ROWER DEFINITION.—Section 428C(a)(3)(A)(ii)(I)  
3       (20 U.S.C. 1078–3(a)(3)(A)(ii)(I)) is amended by  
4       inserting “as determined under section  
5       428(b)(7)(A)” after “repayment status”.

6       (c) ADDITIONAL AMENDMENTS.—Section 428C (20  
7       U.S.C. 1078–3) is amended—

8           (1) in subsection (a)(3), by striking subpara-  
9       graph (C); and

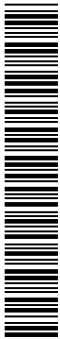
10          (2) in subsection (b)(1)—

11               (A) by striking everything after “under  
12       this section” the first place it appears in sub-  
13       paragraph (A) and inserting the following: “and  
14       that, if all the borrower’s loans under this part  
15       are held by a single holder, the borrower has  
16       notified such holder that the borrower is seek-  
17       ing to obtain a consolidation loan under this  
18       section;”;

19               (B) by striking “(i) which” and all that  
20       follows through “and (ii)” in subparagraph (C);

21               (C) by striking “and” at the end of sub-  
22       paragraph (E);

23               (D) by redesignating subparagraph (F) as  
24       subparagraph (G); and



1 (E) by inserting after subparagraph (E)  
2 the following new subparagraph:

3 “(F) that the lender of the consolidation  
4 loan shall, upon application for such loan, pro-  
5 vide the borrower with a clear and conspicuous  
6 notice of at least the following information:

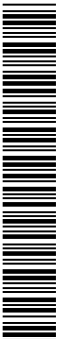
7 “(i) the effects of consolidation on  
8 total interest to be paid, fees to be paid,  
9 and length of repayment;

10 “(ii) the effects of consolidation on a  
11 borrower’s underlying loan benefits, includ-  
12 ing loan forgiveness, cancellation,  
13 deferment, and reduced interest rates on  
14 those underlying loans;

15 “(iii) the ability for the borrower to  
16 prepay the loan, pay on a shorter schedule,  
17 and to change repayment plans; that bor-  
18 rower benefit programs may vary among  
19 different loan holders; and a description of  
20 how the borrower benefits may vary among  
21 different loan holders;

22 “(iv) the tax benefits for which bor-  
23 rowers may be eligible;

24 “(v) the consequences of default; and



1 “(vi) that by making the application  
2 the applicant is not obligated to agree to  
3 take the consolidation loan; and”.

4 (d) EFFECTIVE DATE FOR SINGLE HOLDER AMEND-  
5 MENT.—The amendment made by subsection (c)(2)(A)  
6 shall apply with respect to any loan made under section  
7 428C of the Higher Education Act of 1965 (20 U.S.C.  
8 1078–3) for which the application is received by an eligible  
9 lender on or after July 1, 2006.

10 (e) CONFORMING AMENDMENTS TO DIRECT LOAN  
11 PROGRAM.—Section 455 (20 U.S.C. 1087e) is amended

12 (1) in subsection (a)(1) by inserting “428C,”  
13 after “428B,”;

14 (2) in subsection (a)(2)—

15 (A) by striking “and” at the end of sub-  
16 paragraph (B);

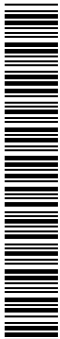
17 (B) by redesignating subparagraph (C) as  
18 subparagraph (D); and

19 (C) by inserting after subparagraph (B)  
20 the following:

21 “(C) section 428C shall be known as a  
22 ‘Federal Direct Consolidation Loan’; and ”; and

23 (3) in subsection (g)—

24 (A) by striking the second sentence; and



1 (B) by adding at the end the following new  
2 sentences: “To be eligible for a consolidation  
3 loan under this part, a borrower must meet the  
4 eligibility criteria set forth in section  
5 428C(a)(3). The Secretary, upon application for  
6 such a loan, shall comply with the requirements  
7 applicable to a lender under 428C(b)(1)(F).”.

8 **SEC. 426. LOAN FORGIVENESS FOR SERVICE IN AREAS OF**  
9 **NATIONAL NEED.**

10 Section 428K (20 U.S.C. 1078–11) is amended to  
11 read as follows:

12 **“SEC. 428K. LOAN FORGIVENESS FOR SERVICE IN AREAS OF**  
13 **NATIONAL NEED.**

14 “(a) PURPOSES.—The purposes of this section are—

15 “(1) to encourage highly trained individuals to  
16 enter and continue in service in areas of national  
17 need; and

18 “(2) to reduce the burden of student debt for  
19 Americans who dedicate their careers to service in  
20 areas of national need.

21 “(b) PROGRAM AUTHORIZED.—

22 “(1) IN GENERAL.—The Secretary is authorized  
23 to carry out a program of assuming the obligation  
24 to repay, pursuant to paragraphs (2) of subsection  
25 (c) and subsection (d), a qualified loan amount for



1 a loan made, insured, or guaranteed under this part  
2 or part D (other than loans made under section  
3 428B and 428C and comparable loans made under  
4 part D), for any new borrower after the date of en-  
5 actment of the College Access and Opportunity Act  
6 of 2005, who—

7 “(A) has been employed full-time for at  
8 least 5 consecutive complete school, academic,  
9 or calendar years, as appropriate, in an area of  
10 national need described in subsection (c); and

11 “(B) is not in default on a loan for which  
12 the borrower seeks forgiveness.

13 “(2) AWARD BASIS.—Loan repayment under  
14 this section shall be on a first-come, first-served  
15 basis pursuant to the designation under subsection  
16 (c) and subject to the availability of appropriations.

17 “(3) REGULATIONS.—The Secretary is author-  
18 ized to issue such regulations as may be necessary  
19 to carry out the provisions of this section.

20 “(c) AREAS OF NATIONAL NEED.—

21 “(1) STATUTORY CATEGORIES.—For purposes  
22 of this section, an individual shall be treated as em-  
23 ployed in an area of national need if the individual  
24 is employed full time and is any of the following:



1           “(A) EARLY CHILDHOOD EDUCATORS.—An  
2 individual who is employed as an early child-  
3 hood educator in an eligible preschool program  
4 or child care facility in a low-income commu-  
5 nity, and who is involved directly in the care,  
6 development and education of infants, toddlers,  
7 or young children through age five.

8           “(B) NURSES.—An individual who is  
9 employed—

10               “(i) as a nurse in a clinical setting; or

11               “(ii) as a member of the nursing fac-  
12 ulty at an accredited school of nursing (as  
13 those terms are defined in section 801 of  
14 the Public Health Service Act (42 U.S.C.  
15 296)).

16           “(C) SPEECH-LANGUAGE PATHOLOGIST.—  
17 An individual who is a speech-language patholo-  
18 gist, who is employed in an elementary or sec-  
19 ondary school, and who has, at a minimum, a  
20 graduate degree in speech-language pathology,  
21 or communication sciences and disorders.

22           “(D) ADDITIONAL AREAS OF NATIONAL  
23 NEED.—An individual who is employed in an  
24 area designated by the Secretary under para-



1 graph (2) and has completed a baccalaureate or  
2 advanced degree related to such area.

3 “(2) DESIGNATION OF AREAS OF NATIONAL  
4 NEED.—After consultation with appropriate Federal,  
5 State, and community-based agencies and organiza-  
6 tions, the Secretary shall designate areas of national  
7 need. In making such designations, the Secretary  
8 shall take into account the extent to which—

9 “(A) the national interest in the area is  
10 compelling;

11 “(B) the area suffers from a critical lack  
12 of qualified personnel; and

13 “(C) other Federal programs support the  
14 area concerned.

15 “(d) QUALIFIED LOAN AMOUNT.—The Secretary  
16 shall repay not more than \$5,000 in the aggregate of the  
17 loan obligation on a loan made under section 428 or 428H  
18 that is outstanding after the completion of the fifth con-  
19 secutive school, academic, or calendar year, as appro-  
20 priate, described in subsection (b)(1).

21 “(e) CONSTRUCTION.—Nothing in this section shall  
22 be construed to authorize the refunding of any repayment  
23 of a loan made under section 428 or 428H.

24 “(f) INELIGIBILITY OF NATIONAL SERVICE AWARD  
25 RECIPIENTS.—No student borrower may, for the same



1 service, receive a benefit under both this section and sub-  
2 title D of title I of the National and Community Service  
3 Act of 1990 (42 U.S.C. 12601 et seq.).

4 “(g) INELIGIBILITY FOR DOUBLE BENEFITS.—No  
5 borrower may receive a reduction of loan obligations under  
6 both this section and section 428J or 460.

7 “(h) DEFINITIONS.—In this section

8 “(1) CHILD CARE FACILITY.—The term ‘child  
9 care facility’ means a facility, including a home,  
10 that—

11 “(A) provides for the education and care of  
12 children from birth through age 5; and

13 “(B) meets any applicable State or local  
14 government licensing, certification, approval, or  
15 registration requirements.

16 “(2) EARLY CHILDHOOD EDUCATOR.—The  
17 term ‘early childhood educator’ means an early  
18 childhood educator employed in an eligible preschool  
19 program who has completed a baccalaureate or ad-  
20 vanced degree in early childhood development, early  
21 childhood education, or in a field related to early  
22 childhood education.

23 “(3) ELIGIBLE PRESCHOOL PROGRAM.—The  
24 term ‘eligible preschool program’ means a program  
25 that provides for the care, development, and edu-



1 cation of infants, toddlers, or young children  
2 through age 5, meets any applicable State or local  
3 government licensing, certification, approval, and  
4 registration requirements, and is operated by—

5 “(A) a public or private school that may be  
6 supported, sponsored, supervised, or adminis-  
7 tered by a local educational agency;

8 “(B) a Head Start agency serving as a  
9 grantee designated under the Head Start Act  
10 (42 U.S.C. 9831 et seq.);

11 “(C) a nonprofit or community based orga-  
12 nization; or

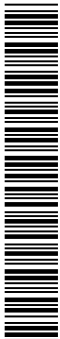
13 “(D) a child care program, including a  
14 home.

15 “(4) LOW-INCOME COMMUNITY.—In this sub-  
16 section, the term ‘low-income community’ means a  
17 community in which 70 percent of households earn  
18 less than 85 percent of the state median household  
19 income.

20 “(5) NURSE.—The term ‘nurse’ means a nurse  
21 who meets all of the following:

22 “(A) The nurse graduated from—

23 “(i) an accredited school of nursing  
24 (as those terms are defined in section 801



1 of the Public Health Service Act (42  
2 U.S.C. 296));

3 “(ii) a nursing center; or

4 “(iii) an academic health center that  
5 provides nurse training.

6 “(B) The nurse holds a valid and unre-  
7 stricted license to practice nursing in the State  
8 in which the nurse practices in a clinical set-  
9 ting.

10 “(C) The nurse holds 1 or more of the fol-  
11 lowing:

12 “(i) A graduate degree in nursing, or  
13 an equivalent degree.

14 “(ii) A nursing degree from a colle-  
15 giate school of nursing (as defined in sec-  
16 tion 801 of the Public Health Service Act  
17 (42 U.S.C. 296)).

18 “(iii) A nursing degree from an asso-  
19 ciate degree school of nursing (as defined  
20 in section 801 of the Public Health Service  
21 Act (42 U.S.C. 296)).

22 “(iv) A nursing degree from a diploma  
23 school of nursing (as defined in section  
24 801 of the Public Health Service Act (42  
25 U.S.C. 296)).



1       “(i) AUTHORIZATION OF APPROPRIATIONS.—There  
2 are authorized to be appropriated to carry out this section  
3 such sums as may be necessary fiscal year 2006 and such  
4 sums as may be necessary for each of the 5 succeeding  
5 fiscal years.”.

6 **SEC. 427. UNSUBSIDIZED STAFFORD LOANS.**

7       (a) AMENDMENT.—Section 428H(d)(2)(C) (20  
8 U.S.C. 1078–8(d)(2)(C)) is amended by striking  
9 “\$10,000” and inserting “\$12,000”.

10       (b) EFFECTIVE DATE.—The amendment made by  
11 subsection (a) shall apply to loans for which the first dis-  
12 bursement of principal is made on or after July 1, 2007.

13 **SEC. 428. ELIMINATION OF TERMINATION DATES FROM**  
14 **TAXPAYER-TEACHER PROTECTION ACT OF**  
15 **2004.**

16       (a) EXTENSION OF LIMITATIONS ON SPECIAL AL-  
17 LOWANCE FOR LOANS FROM THE PROCEEDS OF TAX EX-  
18 EMPT ISSUES.—Section 438(b)(2)(B) (20 U.S.C. 1087–  
19 1(b)(2)(B)) is amended—

20               (1) in clause (iv), by striking “and before Janu-  
21 ary 1, 2006,”; and

22               (2) in clause (v)(II)—

23                       (A) by striking “and before January 1,  
24 2006,” each place it appears in divisions (aa)  
25 and (bb); and



1 (B) by striking “, and before January 1,  
2 2006” in division (cc).

3 (b) ADDITIONAL LIMITATION ON SPECIAL ALLOW-  
4 ANCE FOR LOANS FROM THE PROCEEDS OF TAX EXEMPT  
5 ISSUES.—Section 438(b)(2)(B) (20 U.S.C 1087–  
6 1(b)(2)(B)) is further amended by adding at the end  
7 thereof the following new clause:

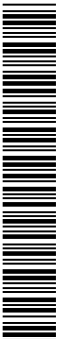
8 “(vi) Notwithstanding clauses (i), (ii), and (v),  
9 the quarterly rate of the special allowance shall be  
10 the rate determined under subparagraph (A), (E),  
11 (F), (G), (H), or (I) of this paragraph, as the case  
12 may be, for a holder of loans that were made or pur-  
13 chased on or after October 1, 2005.”.

14 (c) ELIMINATION OF EFFECTIVE DATE LIMITATION  
15 ON HIGHER TEACHER LOAN FORGIVENESS BENEFITS.—  
16 Section 3(b) of the Taxpayer-Teacher Protection Act of  
17 2004 is amended by striking paragraph (3).

18 (d) ADDITIONAL CHANGES TO TEACHER LOAN FOR-  
19 GIVENESS PROVISIONS.—

20 (1) FFEL PROVISIONS.—Section 428J (20  
21 U.S.C. 1078–10)—

22 (A) in subsection (a)(1)(B), by inserting  
23 after “1965” the following: “, or meets the re-  
24 quirements of subsection (g)(3)”; and



1 (B) in subsection (g), by adding at the end  
2 the following new paragraph:

3 “(3) PRIVATE SCHOOL TEACHERS.—An indi-  
4 vidual who is employed as a teacher in a private  
5 school and is exempt from State certification re-  
6 quirements (unless otherwise applicable under State  
7 law), may, in lieu of the requirement of subsection  
8 (a)(1)(B), have such employment treated as quali-  
9 fying employment under this section if such indi-  
10 vidual is permitted to and does satisfy rigorous sub-  
11 ject knowledge and skills tests by taking competency  
12 tests in the applicable grade levels and subject areas.  
13 For such purposes, the competency tests taken by  
14 such a private school teacher must be recognized by  
15 5 or more States for the purpose of fulfilling the  
16 highly qualified teacher requirements under section  
17 9101 of the Elementary and Secondary Education  
18 Act of 1965, and the score achieved by such teacher  
19 on each test must equal or exceed the average pass-  
20 ing score of those 5 States.”.

21 (2) DIRECT LOAN PROVISIONS.—Section 460  
22 (20 U.S.C. 1087j) is amended—

23 (A) in subsection (a)(1)(A)(ii), by inserting  
24 after “1965” the following: “, or meets the re-  
25 quirements of subsection (g)(3)”; and



1 (B) in subsection (g), by adding at the end  
2 the following new paragraph:

3 “(3) PRIVATE SCHOOL TEACHERS.—An indi-  
4 vidual who is employed as a teacher in a private  
5 school and is exempt from State certification re-  
6 quirements (unless otherwise applicable under State  
7 law), may, in lieu of the requirement of subsection  
8 (a)(1)(A)(ii), have such employment treated as  
9 qualifying employment under this section if such in-  
10 dividual is permitted to and does satisfy rigorous  
11 subject knowledge and skills tests by taking com-  
12 petency tests in the applicable grade levels and sub-  
13 ject areas. For such purposes, the competency tests  
14 taken by such a private school teacher must be rec-  
15 ognized by 5 or more States for the purpose of ful-  
16 filling the highly qualified teacher requirements  
17 under section 9101 of the Elementary and Sec-  
18 ondary Education Act of 1965, and the score  
19 achieved by such teacher on each test must equal or  
20 exceed the average passing score of those 5 States.”.

21 **SEC. 429. ADDITIONAL ADMINISTRATIVE PROVISIONS.**

22 (a) TREATMENT OF EXEMPT CLAIMS.—

23 (1) INSURANCE COVERAGE.—Section  
24 428(b)(1)(G) (20 U.S.C. 1078(b)(1)(G)) is amended  
25 by inserting before the semicolon at the end the fol-



1       lowing: “and 100 percent of the unpaid principal  
2       amount of exempt claims as defined in subsection  
3       (c)(1)(G)”.

4           (2)   TREATMENT.—Section   428(c)(1)   (20  
5       U.S.C. 1078(c)(1)) is amended—

6           (A) by redesignating subparagraph (G) as  
7       subparagraph (H), and moving such subpara-  
8       graph 2 em spaces to the left; and

9           (B) by inserting after subparagraph (F)  
10       the following new subparagraph:

11       “(G)(i) Notwithstanding any other provisions of  
12       this section, in the case of exempt claims, the Sec-  
13       retary shall apply the provisions of—

14           “(I) the fourth sentence of subparagraph  
15       (A) by substituting ‘100 percent’ for ‘95 per-  
16       cent’;

17           “(II) subparagraph (B)(i) by substituting  
18       ‘100 percent’ for ‘85 percent’; and

19           “(III) subparagraph (B)(ii) by substituting  
20       ‘100 percent’ for ‘75 percent’.

21       “(ii) For purposes of clause (i) of this subpara-  
22       graph, the term ‘exempt claims’ means claims with  
23       respect to loans for which it is determined that the  
24       borrower (or the student on whose behalf a parent  
25       has borrowed), without the lender’s or the institu-



1       tion's knowledge at the time the loan was made, pro-  
2       vided false or erroneous information or took actions  
3       that caused the borrower or the student to be ineli-  
4       gible for all or a portion of the loan or for interest  
5       benefits thereon.”.

6       (b) DOCUMENTATION OF FORBEARANCE AGREE-  
7       MENTS.—Section 428(c) (20 U.S.C. 1078(c)) is further  
8       amended—

9               (1) in paragraph (3)(A)(i), by striking “in writ-  
10       ing”; and

11              (2) by adding at the end the following new  
12       paragraph:

13              “(10) DOCUMENTATION OF FORBEARANCE  
14       AGREEMENTS.—For the purposes of paragraph (3),  
15       the terms of forbearance agreed to by the parties  
16       shall be documented by confirming the agreement of  
17       the borrower by notice to the borrower from the  
18       lender, and by recording the terms in the borrower's  
19       file.”.

20       (c) CONSOLIDATION OF DEFAULTED LOANS.—Sec-  
21       tion 428(c) (20 U.S.C. 1078(c)) is further amended—

22              (1) in paragraph (2)(A)—

23                      (A) by inserting “(i)” after “including”;

24              and



1 (B) by inserting before the semicolon at  
2 the end the following: “and (ii) requirements es-  
3 tablishing procedures to preclude consolidation  
4 lending from being an excessive proportion of  
5 guaranty agency recoveries on defaulted loans  
6 under this part”;

7 (2) in paragraph (2)(D), by striking “para-  
8 graph (6)” and inserting “paragraph (6)(A)”; and  
9 (3) in paragraph (6)—

10 (A) by inserting “(A)” before “For the  
11 purposes of paragraph (2)(D),”;

12 (B) by redesignating subparagraphs (A)  
13 and (B) as clauses (i) and (ii), respectively; and

14 (C) by adding at the end the following new  
15 subparagraphs:

16 “(B) GUARANTY AGENCY OBLIGATIONS.—A  
17 guaranty agency shall—

18 “(i) on or after October 1, 2006—

19 “(I) not charge the borrower collec-  
20 tion costs in an amount in excess of 18.5  
21 percent of the outstanding principal and  
22 interest of a defaulted loan that is paid off  
23 through consolidation by the borrower  
24 under this title; and



1 “(II) remit to the Secretary a portion  
2 of the collection charge under subclause (I)  
3 equal to 8.5 percent of the outstanding  
4 principal and interest of such defaulted  
5 loan; and

6 “(ii) on and after October 1, 2009, remit  
7 to the Secretary the entire amount charged  
8 under clause (i)(I) with respect to each de-  
9 faulted loan that is paid off with excess consoli-  
10 dation proceeds.

11 “(C) EXCESS CONSOLIDATION PRO-  
12 CEEDS.—For purposes of subparagraph (B),  
13 the term ‘excess consolidation proceeds’ means,  
14 with respect to any guaranty agency for any  
15 Federal fiscal year beginning on or after Octo-  
16 ber 1, 2009, the proceeds of consolidation of de-  
17 faulted loans under this title that exceed 45  
18 percent of the agency’s total collections on de-  
19 faulted loans in such Federal fiscal year.”.

20 (d) VOLUNTARY FLEXIBLE AGREEMENTS.—Section  
21 428A (20 U.S.C. 1078–1) is amended—

22 (1) in subsection (a)(1)(B), by striking “unless  
23 the Secretary” and all that follows through “des-  
24 ignated guarantor”;

25 (2) by striking paragraph (2) of subsection (a);



1 (3) in paragraph (4)(B) of such subsection, by  
2 striking “and any waivers provided to other guar-  
3 anty agencies under paragraph (2)”;

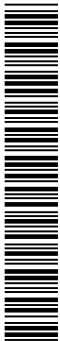
4 (4) by redesignating paragraphs (3) and (4) of  
5 subsection (a) as paragraphs (2) and (3), respec-  
6 tively; and

7 (5) by striking paragraph (3) of subsection (c)  
8 and inserting the following:

9 “(3) NOTICE TO INTERESTED PARTIES.—Once  
10 the Secretary reaches a tentative agreement in prin-  
11 ciple under this section, the Secretary shall publish  
12 in the Federal Register a notice that invites inter-  
13 ested parties to comment on the proposed agree-  
14 ment. The notice shall state how to obtain a copy of  
15 the tentative agreement in principle and shall give  
16 interested parties no less than 30 days to provide  
17 comments. The Secretary may consider such com-  
18 ments prior to providing the notices pursuant to  
19 paragraph (2).”.

20 (e) DEFAULT REDUCTION PROGRAM.—Section  
21 428F(a)(1) (20 U.S.C. 1078–6(a)(1)) is amended—

22 (1) in subparagraph (A), by striking “consecu-  
23 tive payments for 12 months” and inserting “9 pay-  
24 ments made within 20 days of the due date during  
25 10 consecutive months”;



1 (2) by redesignating subparagraph (C) as sub-  
2 paragraph (D); and

3 (3) by inserting after subparagraph (B) the fol-  
4 lowing new subparagraph:

5 “(C) A guaranty agency may charge the  
6 borrower and retain collection costs in an  
7 amount not to exceed 18.5 percent of the out-  
8 standing principal and interest at the time of  
9 sale of a loan rehabilitated under subparagraph  
10 (A).”.

11 (f) FINANCIAL AND ECONOMIC LITERACY.—

12 (1) DEFAULT REDUCTION PROGRAM.—Section  
13 428F is further amended by adding at the end the  
14 following:

15 “(c) FINANCIAL AND ECONOMIC LITERACY.—Where  
16 appropriate, each program described under subsection (b)  
17 shall include making available financial and economic edu-  
18 cation materials for the borrower.”.

19 (2) PROGRAM ASSISTANCE FOR BORROWERS.—

20 Section 432(k)(1) (20 U.S.C. 1082(k)(1)) is amend-  
21 ed by striking “and offering” and all that follows  
22 through the period and inserting “, offering loan re-  
23 payment matching provisions as part of employee  
24 benefit packages, and providing employees with fi-  
25 nancial and economic education and counseling.”.



1 (g) CREDIT BUREAU ORGANIZATION AGREE-  
2 MENTS.—Section 430A(a) (20 U.S.C. 1080a(a)) is  
3 amended by striking “agreements with credit bureau orga-  
4 nizations” and inserting “an agreement with each national  
5 credit bureau organization (as described in section 603(p)  
6 of the Fair Credit Reporting Act)”.

7 (h) UNIFORM ADMINISTRATIVE AND CLAIMS PROCE-  
8 DURE.—Section 432(l)(1)(H) (20 U.S.C. 1082(l)(1)(H))  
9 is amended by inserting “and anticipated graduation  
10 date” after “status change”.

11 (i) DEFAULT REDUCTION MANAGEMENT.—Section  
12 432 is further amended—

13 (1) by striking subsection (n); and

14 (2) by redesignating subsections (o) and (p) as  
15 subsections (n) and (o), respectively.

16 (j) SCHOOL AS LENDER.—Section 435(d)(2) (20  
17 U.S.C. 1085(d)(2)) is amended by striking subparagraphs  
18 (C) through (F) and the material following subparagraph  
19 (F) and inserting the following:

20 “(C) shall not make a loan, other than a  
21 loan made under section 428 or 428H to a  
22 graduate or professional student, unless the  
23 borrower has previously received a loan from  
24 the school, and shall not make a loan to a bor-  
25 rower who is not enrolled at that institution;



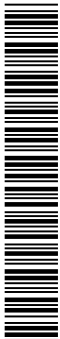
1 “(D) shall not have a cohort default rate  
2 (as defined in section 435(m)) greater than 15  
3 percent; and

4 “(E) shall use the proceeds from special al-  
5 lowance payments and interest payments from  
6 borrowers, any proceeds from the sale or other  
7 disposition of loans, and interest subsidies re-  
8 ceived from the Secretary for need-based grant  
9 programs, except for reasonable reimbursement  
10 for direct administrative expenses.”.

11 (k) DISABILITY DETERMINATIONS.—Section 437(a)  
12 (20 U.S.C. 1087(a)) is amended by adding at the end the  
13 following new sentence: “In making such determination of  
14 permanent and total disability, the Secretary shall provide  
15 that a borrower who has been certified as permanently and  
16 totally disabled by the Department of Veterans Affairs or  
17 the Social Security Administration shall not be required  
18 to present further documentation for purposes of this  
19 title.”.

20 (l) TREATMENT OF FALSELY CERTIFIED BOR-  
21 ROWERS.—Section 437(c)(1) (20 U.S.C. 1087(c)(1)) is  
22 amended by inserting “or parent’s eligibility” after “such  
23 student’s eligibility”.

24 (m) PERFECTION OF SECURITY INTERESTS.—Sec-  
25 tion 439(d) (20 U.S.C. 1087–2(d)) is amended—



1 (1) by striking paragraph (3); and

2 (2) by redesignating paragraphs (4) and (5) as  
3 paragraphs (3) and (4), respectively.

4 (n) ADDITIONAL TECHNICAL AMENDMENTS.—

5 (1) Section 428(a)(2)(A) (20 U.S.C.  
6 1078(a)(2)(A)) is amended—

7 (A) by striking “and” at the end of sub-  
8 clause (II) of clause (i); and

9 (B) by moving the margin of clause (iii)  
10 two ems to the left.

11 (2) Section 428(a)(3)(A)(v) (20 U.S.C.  
12 1078(a)(3)(A)(v)) is amended—

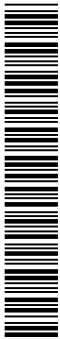
13 (A) by striking “or” at the end of sub-  
14 clause (I);

15 (B) by striking the period at the end of  
16 subclause (II) and inserting “; or”; and

17 (C) by adding after subclause (II) the fol-  
18 lowing new subclause:

19 “(III) in the case of a loan disbursed  
20 through an escrow agent, 3 days before the first  
21 disbursement of the loan.”.

22 (3) Section 428(c)(1) (20 U.S.C. 1078(c)(1)) is  
23 amended by striking “30 days” in the last sentence  
24 and inserting “45 days.”.



1           (4) Section 428(i)(1) (20 U.S.C. 1078(i)(1)) is  
2           amended by striking “21 days” in the third sentence  
3           and inserting “10 days”.

4           (5) Section 428H(e) (20 U.S.C. 1078–8(e)) is  
5           amended by striking paragraph (6) and inserting the  
6           following:

7           “(6) TIME LIMITS ON BILLING INTEREST.—A  
8           lender may not receive interest on a loan under this  
9           section from a borrower for any period that precedes  
10          the dates described in section 428(a)(3)(A)(v).”.

11          (6) Section 428I(g) (20 U.S.C. 1078–9(g)) is  
12          amended by striking “Code,” and inserting “Code”.

13          (7) Section 432(m)(1)(B) (20 U.S.C.  
14          1082(m)(1)(B)) is amended—

15                 (A) in clause (i), by inserting “and” after  
16                 the semicolon at the end; and

17                 (B) in clause (ii), by striking “; and” and  
18                 inserting a period.

19          (8) Section 438(b)(4)(B) (20 U.S.C. 1087–  
20          1(b)(4)(B)) is amended by striking “shall be com-  
21          puted” and all that follows through “to the loan”  
22          and inserting “described in subparagraph (A) shall  
23          be computed using the interest rate described in sec-  
24          tion 3902(a) of title 31, United States Code,”.



1       **PART 3—FEDERAL WORK-STUDY PROGRAMS**

2       **SEC. 441. AUTHORIZATION OF APPROPRIATIONS.**

3           Section 441(b) (42 U.S.C. 2751(b)) is amended—

4               (1) by striking “1999” and inserting “2006”;

5               and

6               (2) by striking “4 succeeding” and inserting “5

7               succeeding”.

8       **SEC. 442. COMMUNITY SERVICE.**

9           Section 441(c)(1) (42 U.S.C. 2751(c)(1)) is amended

10          by striking “that are open and accessible to the commu-

11          nity”.

12       **SEC. 443. ALLOCATION OF FUNDS.**

13           (a) PHASEOUT OF ALLOCATION BASED ON PREVIOUS

14          ALLOCATIONS.—Subsection (a) of section 442 (42 U.S.C.

15          2752(a)) is amended to read as follows:

16           “(a) ALLOCATION BASED ON PREVIOUS ALLOCA-

17          TION.—

18               “(1) BASE GUARANTEE.—From the amount ap-

19               propriated pursuant to section 441(b) for each fiscal

20               year after fiscal year 2007, the Secretary shall, sub-

21               ject to paragraph (2), first allocate to each eligible

22               institution an amount equal to the following percent-

23               age of the amount such institution received under

24               subsection (a) of this section for fiscal year 2007 (as

25               such subsection was in effect with respect to alloca-

26               tions for such fiscal year):



1                   “(A) 80 percent for fiscal years 2008 and  
2                   2009;

3                   “(B) 60 percent for fiscal years 2010 and  
4                   2011;

5                   “(C) 40 percent for fiscal years 2012 and  
6                   2013;

7                   “(D) 20 percent for fiscal years 2014 and  
8                   2015; and

9                   “(E) 0 percent for fiscal year 2016 and  
10                  any succeeding fiscal year.

11                  “(2) RATABLE REDUCTIONS FOR INSUFFICIENT  
12                  APPROPRIATIONS.—

13                  “(A) REDUCTION OF BASE GUARANTEE.—

14                  If the amount appropriated for any fiscal year  
15                  is less than the amount required to be allocated  
16                  to all institutions under this subsection, then  
17                  the amount of the allocation to each such insti-  
18                  tution shall be ratably reduced.

19                  “(B) ADDITIONAL APPROPRIATIONS ALLO-

20                  CATION.—If additional amounts are appro-  
21                  priated for any such fiscal year, such reduced  
22                  amounts shall be increased on the same basis as  
23                  they were reduced (until the amount allocated  
24                  equals the amount required to be allocated  
25                  under this subsection).



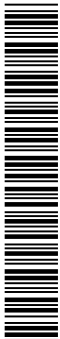
1           “(3) ADDITIONAL ALLOCATIONS FOR CERTAIN  
2 INSTITUTIONS.—

3           “(A) ALLOCATIONS PERMITTED.—Notwith-  
4 standing any other provision of this section, the  
5 Secretary may allocate an amount equal to not  
6 more than 10 percent of the amount by which  
7 the amount appropriated in any fiscal year to  
8 carry out this part exceeds \$700,000,000  
9 among eligible institutions described in sub-  
10 paragraph (B).

11           “(B) ELIGIBLE INSTITUTIONS.—For pur-  
12 poses of subparagraph (A)—

13           “(i) an eligible institution that is a 4-  
14 year institution may receive an allocation  
15 under subparagraph (A) if more than 50  
16 percent of the students who are degree-  
17 seeking Pell Grant recipients attending  
18 such institution graduate within 4 calendar  
19 years of the first day of enrollment; and

20           “(ii) an eligible institution that is a 2-  
21 year institution may receive an allocation  
22 under subparagraph (A) if more than 50  
23 percent of the students who are degree-  
24 seeking Pell Grant recipients attending



1                   such institution graduate within 2 calendar  
2                   years of the first day of enrollment.”.

3           (b) **EFFECTIVE DATE.**—The amendment made by  
4 subsection (a) shall apply with respect to any amounts ap-  
5 propriated under section 441(b) of the Higher Education  
6 Act of 1965 (42 U.S.C. 2751(b)) for fiscal year 2007 or  
7 any succeeding fiscal year.

8   **SEC. 444. BOOKS AND SUPPLIES.**

9           Section 442(c)(4)(D) (42 U.S.C. 2752(c)(4)(D)) is  
10 amended by striking “\$450” and inserting “\$600”.

11   **SEC. 445. JOB LOCATION AND DEVELOPMENT.**

12          Section 446(a)(1) (42 U.S.C. 2756(a)(1)) is  
13 amended—

14               (1) by striking “10 percent or \$50,000” and in-  
15               serting “15 percent or \$75,000”; and

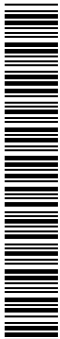
16               (2) by inserting before the period at the end the  
17               following: “, except that not less than one-third of  
18               such amount shall be specifically allocated to locate  
19               and develop community service jobs”.

20   **SEC. 446. WORK COLLEGES.**

21          Section 448 (42 U.S.C. 2756b) is amended—

22               (1) by striking “work-learning” each place it  
23               appears and inserting “work-learning-service”;

24               (2) by striking “work-service” each place it ap-  
25               pears and inserting “work-learning-service”;



1 (3) by amending subparagraph (C) of sub-  
2 section (e)(1) to read as follows:

3 “(C) requires all resident students, includ-  
4 ing at least one-half of all students who are en-  
5 rolled on a full-time basis, to participate in a  
6 comprehensive work-learning-service program  
7 for at least 5 hours each week, or at least 80  
8 hours during each period of enrollment, unless  
9 the student is engaged in an institutionally or-  
10 ganized or approved study abroad or externship  
11 program; and”;

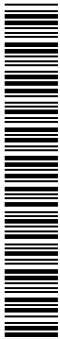
12 (4) by amending paragraph (2) of subsection  
13 (e) to read as follows:

14 “(2) the term ‘comprehensive student work-  
15 learning-service program’—

16 “(A) means a student work-learning-serv-  
17 ice program that is an integral and stated part  
18 of the institution’s educational philosophy and  
19 program;

20 “(B) requires participation of all resident  
21 students for enrollment and graduation;

22 “(C) includes learning objectives, evalua-  
23 tion, and a record of work performance as part  
24 of the student’s college record;



1 “(D) provides programmatic leadership by  
2 college personnel at levels comparable to tradi-  
3 tional academic programs;

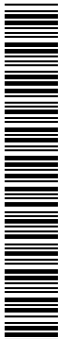
4 “(E) recognizes the educational role of  
5 work-learning-service supervisors; and

6 “(F) includes consequences for non-  
7 performance or failure in the work-learning-  
8 service program similar to the consequences for  
9 failure in the regular academic program.”; and  
10 (5) in subsection (f), by striking “1999 and  
11 such sums as may be necessary for each of the 4  
12 succeeding fiscal years” and inserting “2006 and  
13 such sums as may be necessary for the 5 succeeding  
14 fiscal years”.

15 **PART 4—FEDERAL DIRECT LOAN PROGRAM**

16 **SEC. 451. REAUTHORIZATION OF THE DIRECT LOAN PRO-**  
17 **GRAM.**

18 (a) ADMINISTRATIVE EXPENSES.—Section 458(a)(1)  
19 (20 U.S.C. 1087h(a)(1)) is amended by striking  
20 “\$617,000,000” and all that follows through “fiscal year  
21 2003” and inserting “\$820,000,000 in fiscal year 2006,  
22 \$833,000,000 in fiscal year 2007, \$847,000,000 in fiscal  
23 year 2008, \$862,000,000 in fiscal year 2009, and  
24 \$878,000,000 in fiscal year 2010, and \$894,000,000 in  
25 fiscal year 2011”.



1 (b) CALCULATION BASIS.—Subsection (b) of section  
2 458 (20 U.S.C. 1087h(b)) is amended by striking “shall  
3 be calculated—” and all that follows through the end of  
4 such subsection and inserting “shall be calculated on the  
5 basis of 0.10 percent of the original principal amount of  
6 outstanding loans on which insurance was issued under  
7 part B.”.

8 (c) SPECIAL RULES: FEE CAP.—Section 458(c)(1)  
9 (20 U.S.C. 1087h(c)(1)) is amended by striking subpara-  
10 graphs (A) through (E) and inserting the following:

11 “(A) for fiscal year 2006, shall not exceed  
12 \$220,000,000;

13 “(B) for fiscal year 2007, shall not exceed  
14 \$233,000,000;

15 “(C) for fiscal year 2008, shall not exceed  
16 \$247,000,000;

17 “(D) for fiscal year 2009, shall not exceed  
18 \$262,000,000;

19 “(E) for fiscal year 2010, shall not exceed  
20 \$278,000,000; and

21 “(F) for fiscal year 2011, shall not exceed  
22 \$294,000,000.”.

23 (d) INCOME CONTINGENT REPAYMENT.—Section  
24 455(e)(2) (20 U.S.C. 1087e(e)(2)) is amended by striking



1 “and files a Federal income tax return jointly with the  
2 borrower’s spouse”.

3 **PART 5—FEDERAL PERKINS LOAN PROGRAM**

4 **SEC. 461. REAUTHORIZATION OF PROGRAM.**

5 (a) PROGRAM AUTHORIZATION.—

6 (1) AUTHORIZATION OF APPROPRIATIONS.—

7 Section 461(b) (20 U.S.C. 1087aa(b)) is amended—

8 (A) in paragraph (1)—

9 (i) by striking “1999” and inserting  
10 “2006”; and

11 (ii) by striking “4 succeeding” and in-  
12 serting “5 succeeding”; and

13 (B) in paragraph (2), by striking “2003”  
14 each place it appears and inserting “2012”.

15 (2) FEDERAL CAPITAL CONTRIBUTION RECOV-  
16 ERY.—Section 466 (20 U.S.C. 1087ff) is amended—

17 (A) by striking “2004” each place it ap-  
18 pears in subsections (a), (b), and (c) and insert-  
19 ing “2012”; and

20 (B) in subsection (a), by striking “2003”  
21 each place it appears and inserting “2011”.

22 (b) PHASEOUT OF ALLOCATION BASED ON PREVIOUS  
23 ALLOCATIONS.—



1 (1) AMENDMENT.—Subsection (a) of section  
2 462 (20 U.S.C. 1087bb(a)) is amended to read as  
3 follows:

4 “(a) ALLOCATION BASED ON PREVIOUS ALLOCA-  
5 TION.—

6 “(1) BASE GUARANTEE.—From the amount ap-  
7 propriated pursuant to section 461(b) for each fiscal  
8 year after fiscal year 2007, the Secretary shall, sub-  
9 ject to paragraphs (2) and (3), first allocate to each  
10 eligible institution an amount equal to—

11 “(A) 100 percent of the amount such insti-  
12 tution received under subsection (a) of this sec-  
13 tion for fiscal year 2007 (as such subsection  
14 was in effect with respect to allocations for such  
15 fiscal year), multiplied by

16 “(B) the institution’s default penalty, as  
17 determined under subsection (e), except that if  
18 the institution has a cohort default rate in ex-  
19 cess of the applicable maximum cohort default  
20 rate under subsection (f), the institution may  
21 not receive an allocation under this paragraph.

22 “(2) PHASE OUT.—For each of the fiscal years  
23 after fiscal year 2007, paragraph (1) shall be ap-  
24 plied by substituting for ‘100 percent’:



1 “(A) ‘80 percent’ for fiscal years 2008 and  
2 2009;

3 “(B) ‘60 percent’ for fiscal years 2010 and  
4 2011;

5 “(C) ‘40 percent’ for fiscal years 2012 and  
6 2013;

7 “(D) ‘20 percent’ for fiscal years 2014 and  
8 2015; and

9 “(E) ‘0 percent’ for fiscal year 2016 and  
10 any succeeding fiscal year.

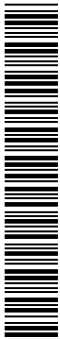
11 “(3) RATABLE REDUCTIONS FOR INSUFFICIENT  
12 APPROPRIATIONS.—

13 “(A) REDUCTION OF BASE GUARANTEE.—

14 If the amount appropriated for any fiscal year  
15 is less than the amount required to be allocated  
16 to all institutions under this subsection, then  
17 the amount of the allocation to each such insti-  
18 tution shall be ratably reduced.

19 “(B) ADDITIONAL APPROPRIATIONS ALLO-

20 CATION.—If additional amounts are appro-  
21 priated for any such fiscal year, such reduced  
22 amounts shall be increased on the same basis as  
23 they were reduced (until the amount allocated  
24 equals the amount required to be allocated  
25 under this subsection).”.



1           (2) EFFECTIVE DATE.—The amendment made  
2       by paragraph (1) shall apply with respect to any  
3       amounts appropriated under section 461(b) of the  
4       Higher Education Act of 1965 (20 U.S.C.  
5       1087bb(b)) for fiscal year 2008 or any succeeding  
6       fiscal year.

7       (c) BOOKS AND SUPPLIES.—Section 462(c)(4)(D)  
8       (20 U.S.C. 1087bb(c)(4)(D)) is amended by striking  
9       “\$450” and inserting “\$600”.

10   **SEC. 462. LOAN TERMS AND CONDITIONS.**

11       (a) LOAN LIMITS.—Section 464(a) (20 U.S.C.  
12   1087dd(a))—

13           (1) in paragraph (2)(A)—

14               (A) by striking “\$4,000” in clause (i) and  
15               inserting “\$5,500”; and

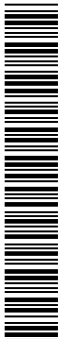
16               (B) by striking “\$6,000” in clause (ii) and  
17               inserting “\$8,000”; and

18           (2) in paragraph (2)(B)—

19               (A) by striking “\$40,000” in clause (i) and  
20               inserting “\$60,000”;

21               (B) by striking “\$20,000” in clause (ii)  
22               and inserting “\$27,500”; and

23               (C) by striking “\$8,000” in clause (iii) and  
24               inserting “\$11,000”.



1 (b) FORBEARANCE.—Section 464(e) (20 U.S.C.  
2 1087dd(e)) is amended by striking “, upon written re-  
3 quest,”.

4 (c) SPECIAL REPAYMENT RULE.—Paragraph (2) of  
5 section 464(f) is amended to read as follows:

6 “(2) No compromise repayment of a defaulted loan  
7 as authorized by paragraph (1) may be made unless  
8 agreed to by the Secretary.”.

9 (d) REHABILITATION.—Section 464(h)(1)(A) (20  
10 U.S.C. 1087dd(h)(1)(A)) is amended by striking “12  
11 ontime” and inserting “9 on-time”.

12 **SEC. 463. LOAN CANCELLATION.**

13 Section 465(a)(3)(A) (20 U.S.C. 1087ee(a)(3)(A)) is  
14 amended—

15 (1) by inserting “(D),” after “subparagraph  
16 (A), (C),” in clause (i);

17 (2) by inserting “or” after the semicolon at the  
18 end of clause (ii);

19 (3) by striking clause (iii); and

20 (4) by redesignating clause (iv) as clause (iii).

21 **SEC. 464. TECHNICAL AMENDMENTS.**

22 Part E is further amended as follows:

23 (1) Section 462(g)(1)(E)(i)(I) (20 U.S.C.  
24 1087bb(g)(1)(E)(i)(I)) is amended by inserting  
25 “monthly” after “consecutive”.



1           (2)    Section    463(a)(4)(A)    (20    U.S.C.  
2    1087cc(a)(4)(A)) is amended by striking “the Sec-  
3    retary may” and inserting “the Secretary shall”.

4           (3)    Section    464(c)(1)(D)    (20    U.S.C.  
5    1087dd(c)(1)(D)) is amended by redesignating sub-  
6    clauses (I) and (II) as clauses (i) and (ii), respec-  
7    tively.

8           (4) Section 465(a)(2) (20 U.S.C. 1087ee(a)(2))  
9    is amended—

10                (A) in subparagraph (A), by striking “sec-  
11               tion    111(c)”    and    inserting    “section  
12               1113(a)(5)”;

13                (B) in subparagraph (C), by striking  
14               “With Disabilities” and inserting “with Disabil-  
15               ities”.

16           (5) Section 467(b) (20 U.S.C. 1087gg(b)) is  
17    amended by striking “(5)(A), (5)(B)(i), or (6)” and  
18    inserting “(4)(A), (4)(B), or (5)”.

19           (6) Section 469(c) (20 U.S.C. 1087ii(c)) is  
20    amended—

21                (A) by striking “sections 602(a)(1) and  
22               672(1)” and inserting “sections 602(3) and  
23               632(5)”;



1 (B) by striking “qualified professional pro-  
2 vider of early intervention services” and insert-  
3 ing “early intervention services”; and

4 (C) by striking “section 672(2)” and in-  
5 serting “section 632(4)”.

6 **PART 6—NEED ANALYSIS**

7 **SEC. 471. SIMPLIFIED NEEDS TEST IMPROVEMENTS.**

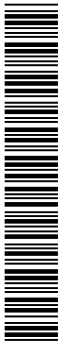
8 Section 479 (20 U.S.C. 1087ss) is amended—

9 (1) by striking clause (i) of subsection (b)(1)(A)  
10 and inserting the following:

11 “(i) the student’s parents file a form  
12 described in paragraph (3) or certify that  
13 they are not required to file an income tax  
14 return, and the student files such a form  
15 or certifies that the student is not required  
16 to file an income tax return, or the stu-  
17 dent’s parents receive benefits under a  
18 means-tested Federal benefit program;”.

19 (2) by striking clause (i) of subsection  
20 (b)(1)(B) and inserting the following:

21 “(i) the student (and the student’s  
22 spouse, if any) files a form described in  
23 paragraph (3) or certifies that the student  
24 (and the student’s spouse, if any) is not re-  
25 quired to file an income tax return, or the



1 student (and the student's spouse, if any)  
2 receives benefits under a means-tested  
3 Federal benefit program;”;

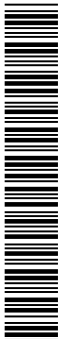
4 (3) by striking subparagraph (A) of subsection  
5 (c)(1) and inserting the following:

6 “(A) the student's parents file a form de-  
7 scribed in subsection (b)(3) or certify that they  
8 are not required to file an income tax return,  
9 and the student files such a form or certifies  
10 that the student is not required to file an in-  
11 come tax return, or the student's parents re-  
12 ceive benefits under a means-tested Federal  
13 benefit program;”;

14 (4) by striking subparagraph (A) of subsection  
15 (c)(2) and inserting the following:

16 “(A) the student (and the student's  
17 spouse, if any) files a form described in sub-  
18 section (b)(3) or certifies that the student (and  
19 the student's spouse, if any) is not required to  
20 file an income tax return, or the student (and  
21 the student's spouse, if any) receives benefits  
22 under a means-tested Federal benefit pro-  
23 gram;”;

24 (5) by adding at the end the following new sub-  
25 section:



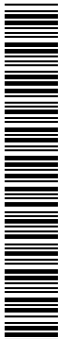
1       “(d) DEFINITION OF MEANS-TESTED FEDERAL  
2 BENEFIT PROGRAM.—For purposes of this section, the  
3 term ‘means-tested Federal benefit program’ means a  
4 mandatory spending program of the Federal Government,  
5 other than a program under this title, in which eligibility  
6 for the programs’ benefits, or the amount of such benefits,  
7 or both, are determined on the basis of income or re-  
8 sources of the individual or family seeking the benefit, and  
9 may include such programs as the supplemental security  
10 income program under title XVI of the Social Security  
11 Act, the food stamp program under the Food Stamp Act  
12 of 1977, and the free and reduced price school lunch pro-  
13 gram under the Richard B. Russell National School Lunch  
14 Act, and other programs identified by the Secretary.”.

15 **SEC. 472. ADDITIONAL NEED ANALYSIS AMENDMENTS.**

16       (a) INCOME PROTECTION ALLOWANCE FOR DEPEND-  
17 ENT STUDENTS.—

18           (1) AMENDMENT.—Section 475(g)(2)(D) (20  
19 U.S.C. 1087oo(g)(2)(D)) is amended by striking  
20 “\$2,200” and inserting “\$3,000”.

21           (2) EFFECTIVE DATE.—The amendment made  
22 by paragraph (1) shall apply with respect to deter-  
23 minations of need for periods of enrollment begin-  
24 ning on or after July 1, 2006.



1 (b) EMPLOYMENT EXPENSE ALLOWANCE.—Section  
2 478(h) (20 U.S.C. 1087rr(h)) is amended—

3 (1) by striking “476(b)(4)(B),”; and

4 (2) by striking “meals away from home, apparel  
5 and upkeep, transportation, and housekeeping serv-  
6 ices” and inserting “food away from home, apparel,  
7 transportation, and household furnishings and oper-  
8 ations”.

9 (c) DISCRETION OF STUDENT FINANCIAL AID AD-  
10 MINISTRATORS.—Section 479A(a) (20 U.S.C. 1087tt(a))  
11 is amended—

12 (1) by striking “(a) IN GENERAL.—” and in-  
13 serting the following:

14 “(a) AUTHORITY TO MAKE ADJUSTMENTS.—

15 “(1) ADJUSTMENTS FOR SPECIAL CIR-  
16 CUMSTANCES.—”;

17 (2) by inserting before “Special circumstances  
18 may” the following:

19 “(2) SPECIAL CIRCUMSTANCES DEFINED.—”;

20 (3) by inserting “a student’s status as a ward  
21 of the court at any time prior to attaining 18 years  
22 of age,” after “487,”;

23 (4) by inserting before “Adequate documenta-  
24 tion” the following:



1 “(3) DOCUMENTATION AND USE OF SUPPLE-  
2 MENTARY INFORMATION.—”; and

3 (5) by inserting before “No student” the fol-  
4 lowing:

5 “(4) FEES FOR SUPPLEMENTARY INFORMATION  
6 PROHIBITED.—”.

7 (d) TREATING ACTIVE DUTY MEMBERS OF THE  
8 ARMED FORCES AS INDEPENDENT STUDENTS.—Section  
9 480(d)(3) (20 U.S.C. 1087vv(d)(3)) is amended by insert-  
10 ing before the semicolon at the end the following: “or is  
11 currently serving on active duty in the Armed Forces for  
12 other than training purposes”.

13 (e) EXCLUDABLE INCOME.—Section 480(e) (20  
14 U.S.C. 1087vv(e)) is amended—

15 (1) by striking “and” at the end of paragraph  
16 (3);

17 (2) by striking the period at the end of para-  
18 graph (4); and

19 (3) by adding at the end the following new  
20 paragraph:

21 “(5) any part of any distribution from a quali-  
22 fied tuition program established under section 529  
23 of the Internal Revenue Code of 1986 that is not in-  
24 cludable in gross income under such section 529.”.

25 (f) TREATMENT OF SAVINGS PLANS.—



1 (1) AMENDMENT.—Section 480(f) (20 U.S.C.  
2 1087vv(f)) is amended—

3 (A) in paragraph (1), by inserting “quali-  
4 fied tuition programs established under section  
5 529 of the Internal Revenue Code of 1986 (26  
6 U.S.C. 529), except as provided in paragraph  
7 (2),” after “tax shelters,”;

8 (B) by redesignating paragraph (2) as  
9 paragraph (3); and

10 (C) by inserting after paragraph (1) the  
11 following new paragraph:

12 “(2) A qualified tuition program shall not be consid-  
13 ered an asset of a dependent student under section 475  
14 of this part. The value of a qualified tuition program for  
15 purposes of determining the assets of parents or inde-  
16 pendent students shall be—

17 “(A) the refund value of any tuition credits or  
18 certificates purchased under section 529 of the In-  
19 ternal Revenue Code of 1986 (26 U.S.C. 529) on be-  
20 half of a beneficiary; or

21 “(B) the current balance of any account which  
22 is established under such section for the purpose of  
23 meeting the qualified higher education expenses of  
24 the designated beneficiary of the account.”.



1 (2) CONFORMING AMENDMENT.—Section 480(j)

2 (20 U.S.C. 1087vv(j)) is amended—

3 (A) by striking “; TUITION PREPAYMENT  
4 PLANS” in the heading of such subsection;

5 (B) by striking paragraph (2);

6 (C) in paragraph (3), by inserting “, or a  
7 distribution that is not includable in gross in-  
8 come under section 529 of such Code,” after  
9 “1986”; and

10 (D) by redesignating paragraph (3) as  
11 paragraph (2).

12 **PART 7—GENERAL PROVISIONS RELATING TO**  
13 **STUDENT FINANCIAL ASSISTANCE**

14 **SEC. 481. DEFINITIONS OF ACADEMIC YEAR AND ELIGIBLE**  
15 **PROGRAM.**

16 (a) ACADEMIC YEAR.—Paragraph (2) of section  
17 481(a) (20 U.S.C. 1088(a)) is amended to read as follows:

18 “(2) For the purpose of any program under this title,  
19 the term ‘academic year’ shall—

20 “(A) require a minimum of 30 weeks of instruc-  
21 tional time for a course of study that measures its  
22 program length in credit hours; or

23 “(B) require a minimum of 26 weeks of instruc-  
24 tional time for a course of study that measures its  
25 program length in clock hours; and



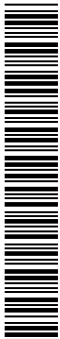
1           “(C) require an undergraduate course of study  
2           to contain an amount of instructional time whereby  
3           a full-time student is expected to complete at least  
4           (i) 24 semester or trimester hours or 36 quarter  
5           credit hours in a course of study that measures its  
6           program length in credit hours, or (ii) 900 clock  
7           hours in a course of study that measures its pro-  
8           gram length in clock hours.”.

9           (b) ELIGIBLE PROGRAM.—Section 481(b) (20 U.S.C.  
10 1088(b)) is amended by adding at the end the following  
11 new paragraph:

12           “(3) For purposes of this title, an eligible program  
13 includes an instructional program that utilizes direct as-  
14 sessment of student learning, or recognizes the direct as-  
15 sessment of student learning, in lieu of credit hours or  
16 clock hours as the measure of student learning. In the case  
17 of a program being determined eligible for the first time  
18 under this paragraph, such determination shall be made  
19 by the Secretary before such program is considered to be  
20 eligible. The Secretary shall provide an annual report to  
21 Congress identifying the programs made eligible under  
22 this paragraph.”.

23 **SEC. 482. DISTANCE EDUCATION.**

24           (a) DISTANCE EDUCATION: ELIGIBLE PROGRAM.—  
25 Section 481(b) (20 U.S.C. 1088(b)) is amended by adding



1 after paragraph (3) (as added by section 481(b) of this  
2 Act) the following new paragraph:

3 “(4) DISTANCE EDUCATION.—An otherwise eli-  
4 gible program that is offered in whole or in part  
5 through telecommunications is eligible for the pur-  
6 poses of this title if the program is offered by an in-  
7 stitution, other than a foreign institution, that has  
8 been evaluated and determined (before or after the  
9 date of enactment of this paragraph) to have the ca-  
10 pability to effectively deliver distance education pro-  
11 grams by an accrediting agency or association  
12 that—

13 “(A) is recognized by the Secretary under  
14 subpart 2 of Part H; and

15 “(B) has evaluation of distance education  
16 programs within the scope of its recognition, as  
17 described in section 496(n)(3).”.

18 (b) CORRESPONDENCE COURSES.—Section 484(l)(1)  
19 (20 U.S.C. 1091(l)(1)) is amended—

20 (1) in subparagraph (A)—

21 (A) by striking “for a program of study of  
22 1 year or longer”; and

23 (B) by striking “unless the total” and all  
24 that follows through “courses at the institu-  
25 tion”; and



1 (2) by amending subparagraph (B) to read as  
2 follows:

3 “(B) EXCEPTION.—Subparagraph (A)  
4 does not apply to an institution or school de-  
5 scribed in section 3(3)(C) of the Carl D. Per-  
6 kins Vocational and Technical Education Act of  
7 1998.”.

8 **SEC. 483. EXPANDING INFORMATION DISSEMINATION RE-**  
9 **GARDING ELIGIBILITY FOR PELL GRANTS.**

10 Section 483(a) (20 U.S.C. 1090(a)) is amended by  
11 adding at the end the following new paragraph:

12 “(8) EXPANDING INFORMATION DISSEMINATION  
13 REGARDING ELIGIBILITY FOR PELL GRANTS.—The  
14 Secretary shall make special efforts, in conjunction  
15 with State efforts, to notify students and their par-  
16 ents who qualify for a free lunch under the Richard  
17 B. Russell National School Lunch Act (42 U.S.C.  
18 1751 et seq.), the Food Stamps program, or such  
19 other programs as the Secretary shall determine, of  
20 their potential eligibility for a maximum Pell Grant,  
21 and shall disseminate such informational materials  
22 as the Secretary deems appropriate.”.

23 **SEC. 484. STUDENT ELIGIBILITY.**

24 (a) SUSPENSION OF ELIGIBILITY FOR DRUG OF-  
25 FENSES.—Section 484(r)(1) (20 U.S.C. 1091(r)(1)) is



1 amended by striking everything preceding the table and  
2 inserting the following:

3           “(1) IN GENERAL.—A student who is convicted  
4 of any offense under any Federal or State law in-  
5 volving the possession or sale of a controlled sub-  
6 stance for conduct that occurred during a period of  
7 enrollment for which the student was receiving any  
8 grant, loan, or work assistance under this title shall  
9 not be eligible to receive any grant, loan, or work as-  
10 sistance under this title from the date of that convic-  
11 tion for the period of time specified in the following  
12 table.”.

13       (b) FREELY ASSOCIATED STATES.—Section 484(j)  
14 (20 U.S.C. 1091(j)) is amended by inserting “and shall  
15 be eligible only for assistance under subpart 1 of part A  
16 thereafter,” after “part C,”.

17       (c) VERIFICATION OF INCOME DATE.—Paragraph  
18 (1) of section 484(q) (20 U.S.C. 1091(q)) is amended to  
19 read as follows:

20           “(1) CONFIRMATION WITH IRS.—The Secretary  
21 of Education, in cooperation with the Secretary of  
22 the Treasury, is authorized to confirm with the In-  
23 ternal Revenue Service the information specified in  
24 section 6103(l)(13) of the Internal Revenue Code of  
25 1986 reported by applicants (including parents)



1 under this title on their Federal income tax returns  
2 for the purpose of verifying the information reported  
3 by applicants on student financial aid applications.”.

4 (d) TECHNICAL AMENDMENT.—Section 484(b)(5)  
5 (20 U.S.C. 1091(b)(5)) is amended by inserting “or par-  
6 ent (on behalf of a student)” after “student”.

7 (e) LOAN INELIGIBILITY BASED ON INVOLUNTARY  
8 CIVIL COMMITMENT FOR SEXUAL OFFENSES.—Section  
9 484(b)(5) (20 U.S.C. 1091(b)(5)) is amended by inserting  
10 before the period the following: “, and no student who is  
11 subject to an involuntary civil commitment upon comple-  
12 tion of a period of incarceration for a sexual offense (as  
13 determined under regulations of the Secretary) is eligible  
14 to receive a loan under this title”.

15 **SEC. 485. INSTITUTIONAL REFUNDS.**

16 Section 484B (20 U.S.C. 1091b) is amended—

17 (1) in subsection (a)(1), by inserting “subpart  
18 4 of part A or” after “received under”;

19 (2) in subsection (a)(2), by striking “takes a  
20 leave” and by inserting “takes one or more leaves”;

21 (3) in subsection (a)(3)(B)(ii), by inserting “(as  
22 determined in accordance with subsection (d))” after  
23 “student has completed”;

24 (4) in subsection (a)(4), by amending subpara-  
25 graph (A) to read as follows:



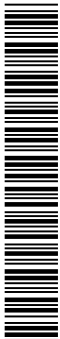
1           “(A) IN GENERAL.—After determining the  
2           eligibility of the student for a late disbursement  
3           or post-withdrawal disbursement (as required in  
4           regulations prescribed by the Secretary), the in-  
5           stitution of higher education shall contact the  
6           borrower and obtain confirmation that the loan  
7           funds are still required by the borrower. In  
8           making such contact, the institution shall ex-  
9           plain to the borrower the borrower’s obligation  
10          to repay the funds following any such disburse-  
11          ment. The institution shall document in the  
12          borrower’s file the result of such contact and  
13          the final determination made concerning such  
14          disbursement.”;

15          (5) in subsection (b)(1), by inserting “no later  
16          than 45 days from the determination of withdrawal”  
17          after “return”;

18          (6) in subsection (b)(2), by amending subpara-  
19          graph (C) to read as follows:

20                 “(C) GRANT OVERPAYMENT REQUIRE-  
21                 MENTS.—

22                 “(i) IN GENERAL.—Notwithstanding  
23                 subparagraphs (A) and (B), a student  
24                 shall only be required to return grant as-  
25                 sistance in the amount (if any) by which—



1 “(I) the amount to be returned  
2 by the student (as determined under  
3 subparagraphs (A) and (B)), exceeds

4 “(II) 50 percent of the total  
5 grant assistance received by the stu-  
6 dent under this title for the payment  
7 period or period of enrollment.

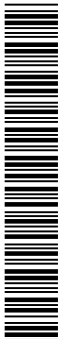
8 “(ii) MINIMUM.—A student shall not  
9 be required to return amounts of \$50 or  
10 less.”;

11 (7) in subsection (b)(2), by adding at the end  
12 the following new subparagraph:

13 “(D) WAIVERS OF PELL GRANT REPAY-  
14 MENT BY STUDENTS AFFECTED BY DISAS-  
15 TERS.—The Secretary may waive the amounts  
16 that students are required to return under this  
17 section with respect to Pell grants if the with-  
18 drawals on which the returns are based are  
19 withdrawals—

20 “(i) by students—

21 “(I) who were residing in, em-  
22 ployed in, or attending an institution  
23 of higher education that is located in  
24 an area in which the President has  
25 declared that a major disaster exists,



1 in accordance with section 401 of the  
2 Robert T. Stafford Disaster Relief  
3 and Emergency Assistance Act (42  
4 U.S.C. 5170); and

5 “(II) whose attendance was inter-  
6 rupted because of the impact of the  
7 disaster on the student or the institu-  
8 tion; and

9 “(ii) that end within the academic  
10 year during which the designation occurred  
11 or during the next succeeding academic  
12 year.”; and

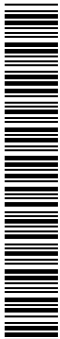
13 (8) in subsection (d), by striking “(a)(3)(B)(i)”  
14 and inserting “(a)(3)(B)”.

15 **SEC. 486. INSTITUTIONAL AND FINANCIAL ASSISTANCE IN-**  
16 **FORMATION FOR STUDENTS.**

17 (a) INFORMATION DISSEMINATION ACTIVITIES.—

18 Section 485(a)(1) (20 U.S.C. 1092(a)(1)) is amended—

19 (1) by amending the second sentence to read as  
20 follows: “The information required by this section  
21 shall be produced and be made publicly available to  
22 an enrolled student and to any prospective student,  
23 through appropriate publications, mailings, elec-  
24 tronic media, and the reports required by the insti-



1       tution's accrediting agency under section  
2       496(c)(9).”;

3               (2) by amending subparagraph (G) to read as  
4       follows:

5               “(G) the academic programs of the institution,  
6       including—

7                       “(i) the current degree programs and other  
8       educational and training programs;

9                       “(ii) the institution's educational mission  
10      and goals;

11                      “(iii) the instructional, laboratory, and  
12      other physical plant facilities which relate to the  
13      academic programs; and

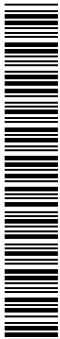
14                      “(iv) the faculty and other instructional  
15      personnel;”;

16               (3) by striking subparagraph (L) and inserting  
17      the following:

18               “(L) a summary of student outcomes for full-  
19      time undergraduate students, including—

20                      “(i) the completion or graduation rates of  
21      certificate- or degree-seeking undergraduate  
22      students entering such institutions; and

23                      “(ii) any other student outcome data, qual-  
24      itative or quantitative, including data regarding  
25      distance education, deemed by the institution to



1 be appropriate to its stated educational mission  
2 and goals, and, when applicable, licensing and  
3 placement rates for professional and vocational  
4 programs;”;

5 (4) by inserting before the semicolon at the end  
6 of subparagraph (J) the following: “, and the proc-  
7 ess for students to register complaints with the ac-  
8 crediting agencies or associations”;

9 (5) in subparagraph (M), by striking “guaran-  
10 teed student loans under part B of this title or di-  
11 rect student loans under part E of this title, or  
12 both,” and inserting “student loans under part B,  
13 D, or E of this title”;

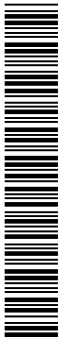
14 (6) by striking “and” at the end of subpara-  
15 graph (N);

16 (7) by striking the period at the end of sub-  
17 paragraph (O) and inserting a semicolon; and

18 (8) by adding at the end the following new sub-  
19 paragraphs:

20 “(P) the penalties contained in subsection  
21 484(r) regarding suspension of eligibility for drug  
22 related offenses; and

23 “(Q) the policies of the institution regarding  
24 the acceptance or denial of academic credit earned  
25 at another institution of higher education, which



1 shall include a statement that such decisions will not  
2 be based solely on the source of accreditation of a  
3 sending institution, provided that the sending insti-  
4 tution is accredited by an agency or association that  
5 is recognized by the Secretary pursuant to section  
6 496 to be a reliable authority as to the quality of the  
7 education or training offered, and except that noth-  
8 ing in this subparagraph shall be construed to—

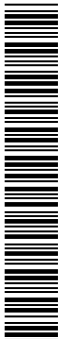
9 “(i) authorize an officer or employee of the  
10 Department to exercise any direction, super-  
11 vision, or control over the curriculum, program  
12 of instruction, administration, or personnel of  
13 any institution of higher education, or over any  
14 accrediting agency or association;

15 “(ii) limit the application of the General  
16 Education Provisions Act; or

17 “(iii) create any legally enforceable right.”.

18 (b) ADDITIONAL AMENDMENTS.—Section 485(a) is  
19 further amended by striking paragraph (6) and inserting  
20 the following:

21 “(6) Each institution may provide supplemental  
22 information to enrolled and prospective students  
23 showing the completion or graduation rate for stu-  
24 dents described in paragraph (4). For the purpose of  
25 this paragraph, the definitions provided in the Inte-

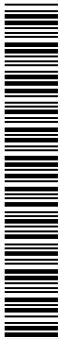


1       grated Postsecondary Education Data System shall  
2       apply.

3           “(7) Each eligible institution participating in  
4       any program under this title may publicly report to  
5       currently enrolled and prospective students the vol-  
6       untary information collected by the National Survey  
7       of Student Engagement (NSSE), the Community  
8       College Survey of Student Engagement (CCSSE), or  
9       other instruments that provide evidence of student  
10      participation in educationally purposeful activities.  
11      The information shall be produced and made avail-  
12      able in a uniform and comprehensible manner,  
13      through appropriate publications, mailings, and elec-  
14      tronic media, and may be included in reports re-  
15      quired by the institution’s accrediting agency.”.

16      (c) EXIT COUNSELING.—Section 485(b) (20 U.S.C.  
17      1092(b)) is amended by adding at the end the following  
18      new paragraph:

19           “(3) Each eligible institution shall, during the exit  
20      interview required by this subsection, provide to a bor-  
21      rower of a loan made under part B, D, or E a clear and  
22      conspicuous notice describing the effect of using a consoli-  
23      dation loan to discharge the borrower’s student loans,  
24      including—



1           “(A) the effects of consolidation on total inter-  
2           est to be paid, fees to be paid, and length of repay-  
3           ment;

4           “(B) the effects of consolidation on a bor-  
5           rower’s underlying loan benefits, including loan for-  
6           giveness, cancellation, and deferment;

7           “(C) the ability for the borrower to prepay the  
8           loan, pay on a shorter schedule, and to change re-  
9           payment plans, and that borrower benefit programs  
10          may vary among different loan holders;

11          “(D) the tax benefits for which the borrower  
12          may be eligible; and

13          “(E) the consequences of default.”.

14          (d)    CAMPUS    CRIME    INFORMATION.—Section  
15    485(f)(1) (20 U.S.C. 1092(f)(1)) is amended by inserting  
16    “, other than a foreign institution of higher education,”  
17    after “under this title”.

18    **SEC. 487. COLLEGE ACCESS INITIATIVE.**

19          Part G is further amended by inserting after section  
20    485C (20 U.S.C. 1092c) the following new section:

21    **“SEC. 485D. COLLEGE ACCESS INITIATIVE.**

22          “(a)   STATE-BY-STATE   INFORMATION.—The   Sec-  
23    retary shall direct each guaranty agency with which the  
24    Secretary has an agreement under section 428(c) to pro-  
25    vide to the Secretary the information necessary for the de-

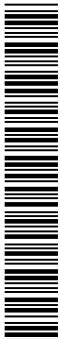


1 velopment of web links and access for students and fami-  
2 lies to a comprehensive listing of the postsecondary edu-  
3 cation opportunities programs, publications, Internet Web  
4 sites, and other services available in the States for which  
5 such agency serves as the designated guarantor.

6 “(b) GUARANTY AGENCY ACTIVITIES.—

7 “(1) PLAN AND ACTIVITY REQUIRED.—Each  
8 guaranty agency with which the Secretary has an  
9 agreement under section 428(c) shall develop a plan  
10 and undertake the activity necessary to gather the  
11 information required under subsection (a) and to  
12 make such information available to the public and to  
13 the Secretary in a form and manner as prescribed  
14 by the Secretary.

15 “(2) ACTIVITIES.—Each guaranty agency shall  
16 undertake such activities as are necessary to pro-  
17 mote access to postsecondary education for students  
18 through providing information on college planning,  
19 career preparation, and paying for college. The guar-  
20 anty agency shall publicize such information and co-  
21 ordinate such activities with other entities that ei-  
22 ther provide or distribute such information in the  
23 States for which such guaranty agency serves as the  
24 designated guarantor.



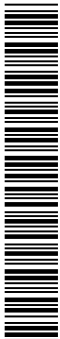
1           “(3) FUNDING.—The activities required by this  
2           section may be funded from the guaranty agency’s  
3           operating account established pursuant to section  
4           422B and to the extent funds remain, from earnings  
5           on the restricted account established pursuant to  
6           section 422(h)(4).

7           “(c) ACCESS TO INFORMATION.—

8           “(1) SECRETARY’S RESPONSIBILITY.—The Sec-  
9           retary shall ensure the availability of the information  
10          provided by the guaranty agencies in accordance  
11          with this section to students, parents and other in-  
12          terested individuals, through web links or other  
13          methods prescribed by the Secretary.

14          “(2) GUARANTY AGENCY RESPONSIBILITY.—  
15          The guaranty agencies shall ensure that the infor-  
16          mation required by this section is available without  
17          charge in printed format for students and parents  
18          requesting such information.

19          “(3) PUBLICITY.—Within 270 days after the  
20          date of enactment of the College Access and Oppor-  
21          tunity Act of 2005, the Secretary and guaranty  
22          agencies shall publicize the availability of the infor-  
23          mation required by this section, with special empha-  
24          sis on ensuring that populations that are tradition-



1 ally underrepresented in postsecondary education are  
2 made aware of the availability of such information.”.

3 **SEC. 488. DISTANCE EDUCATION DEMONSTRATION PRO-**  
4 **GRAM.**

5 (a) ELIGIBLE APPLICANTS.—Section 486(b)(3) (20  
6 U.S.C. 1093(b)(3)) is amended—

7 (1) in subparagraph (B), by striking “section  
8 102(a)(1)(C)” and inserting “section 102”; and

9 (2) in subparagraph (C), by striking “sub-  
10 section (a) of section 102, other than the require-  
11 ment of paragraph (3)(A) or (3)(B) of such sub-  
12 section,” and inserting “section 101, other than the  
13 requirements of subparagraph (A) or (B) of sub-  
14 section (b)(4) of such section”.

15 (b) SELECTION.—Section 486(d)(1) (20 U.S.C.  
16 1093(d)(1)) is amended—

17 (1) by striking “the third year” and inserting  
18 “subsequent years”;

19 (2) by striking “35 institutions” and inserting  
20 “100 institutions”; and

21 (3) by adding at the end the following new sen-  
22 tence: “Not more than 5 of such institutions, sys-  
23 tems, or consortia may be accredited, degree-grant-  
24 ing correspondence schools.”.



1   **SEC. 489. COLLEGE AFFORDABILITY DEMONSTRATION PRO-**  
2                   **GRAM.**

3           Part G of title IV is amended by inserting after sec-  
4   tion 486 (20 U.S.C. 1093) the following new section:

5   **“SEC. 486A. COLLEGE AFFORDABILITY DEMONSTRATION**  
6                   **PROGRAM.**

7           “(a) PURPOSE.—It is the purpose of this section—

8                   “(1) to provide, through a college affordability  
9           demonstration program, for increased innovation in  
10          the delivery of higher education and student finan-  
11          cial aid in a manner resulting in reduced costs for  
12          students as well as the institution by accelerating  
13          degree or program completion, increasing availability  
14          of, and access to, distance components of education  
15          delivery, and other alternative methodologies; and

16                   “(2) to help determine—

17                           “(A) the most effective means of delivering  
18           student financial aid as well as quality edu-  
19           cation;

20                           “(B) the specific statutory and regulatory  
21           requirements that should be altered to provide  
22           for more efficient and effective delivery of stu-  
23           dent financial aid, as well as access to high  
24           quality distance education programs, resulting  
25           in a student more efficiently completing post-  
26           secondary education; and



1 “(C) the most effective methods of obtain-  
2 ing and managing institutional resources.

3 “(b) DEMONSTRATION PROGRAM AUTHORIZED.—

4 “(1) IN GENERAL.—In accordance with the  
5 purposes described in subsection (a) and the provi-  
6 sions of subsection (d), the Secretary is authorized  
7 to select not more than 100 institutions of higher  
8 education or systems of such institutions for vol-  
9 untary participation in the College Affordability  
10 Demonstration Program in order to enable partici-  
11 pating institutions to carry out such purposes by  
12 providing programs of postsecondary education, and  
13 making available student financial assistance under  
14 this title to students enrolled in those programs, in  
15 a manner that would not otherwise meet the require-  
16 ments of this title.

17 “(2) WAIVERS.—The Secretary is authorized to  
18 waive for any institutions of higher education, or  
19 any system or consortia of institutions of higher  
20 education, selected for participation in the College  
21 Affordability Demonstration Program, any require-  
22 ments of this Act or the regulations thereunder as  
23 deemed necessary by the Secretary to meet the pur-  
24 pose described in subsection (a)(1).

25 “(3) ELIGIBLE APPLICANTS.—



1           “(A) ELIGIBLE INSTITUTIONS.—Except as  
2           provided in subparagraph (B), only an institu-  
3           tion of higher education that is eligible to par-  
4           ticipate in programs under this title shall be eli-  
5           gible to participate in the demonstration pro-  
6           gram authorized under this section.

7           “(B) PROHIBITION.—An institution of  
8           higher education described in section 102 shall  
9           not be eligible to participate in the demonstra-  
10          tion program authorized under this section.

11          “(c) APPLICATION.—

12           “(1) IN GENERAL.—Each institution or system  
13           of institutions desiring to participate in the dem-  
14           onstration program under this section shall submit  
15           an application to the Secretary at such time and in  
16           such manner as the Secretary may require.

17           “(2) CONTENTS OF APPLICATIONS.—Each ap-  
18           plication for the college affordability demonstration  
19           program shall include at least the following:

20           “(A) a description of the institution or sys-  
21           tem of institutions and what quality assurance  
22           mechanisms are in place to insure the integrity  
23           of the Federal financial aid programs;



1           “(B) a description of each regulatory or  
2           statutory requirement for which waivers are  
3           sought, with a reason for each waiver;

4           “(C) a description of the programs being  
5           offered and the affected students;

6           “(D) a description of the expected out-  
7           comes of the program changes proposed, includ-  
8           ing the estimated reductions in costs both for  
9           the institution and for students;

10          “(E) a description of any collaborative ar-  
11          rangements with other institutions or organiza-  
12          tions to reduce costs;

13          “(F) a description of any expected eco-  
14          nomic impact of participation in the program  
15          within the community in which the institution is  
16          located;

17          “(G) a description of how the institution  
18          will reduce the costs of instructional materials,  
19          including textbooks;

20          “(H) an assurance that the participating  
21          institution or system of institutions will offer  
22          full cooperation with the ongoing evaluations of  
23          the demonstration program provided for in this  
24          section; and



1 “(I) any other information or assurances  
2 the Secretary may require.

3 “(d) SELECTION.—In selecting institutions to partici-  
4 pate in the demonstration program under this section, the  
5 Secretary shall take into account—

6 “(1) the number and quality of applications re-  
7 ceived, determined on the basis of the contents re-  
8 quired by subsection (c)(2);

9 “(2) the Department’s capacity to oversee and  
10 monitor each institution’s participation;

11 “(3) an institution’s—

12 “(A) financial responsibility;

13 “(B) administrative capability;

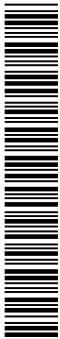
14 “(C) program or programs being offered  
15 via distance education;

16 “(D) student completion rates; and

17 “(E) student loan default rates; and

18 “(4) the participation of a diverse group of in-  
19 stitutions with respect to size, mission, and geo-  
20 graphic distribution.

21 “(e) NOTIFICATION.—The Secretary shall make  
22 available to the public and to the authorizing committees  
23 a list of institutions and systems of institutions selected  
24 to participate in the demonstration program authorized by  
25 this section. Such notice shall include a listing of the spe-



1 cific statutory and regulatory requirements being waived  
2 for each institution or system of institutions and a descrip-  
3 tion of the distance education courses to be offered.

4 “(f) EVALUATIONS AND REPORTS.—

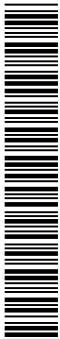
5 “(1) EVALUATION.—The Secretary shall evalu-  
6 ate the demonstration program authorized under  
7 this section on a biennial basis. Such evaluations  
8 specifically shall review—

9 “(A) the number and types of students  
10 participating in the programs offered, including  
11 the progress of participating students toward  
12 recognized certificates or degrees and the extent  
13 to which participation in such programs in-  
14 creased;

15 “(B) issues related to student financial as-  
16 sistance for distance education;

17 “(C) effective technologies and alternative  
18 methodologies for delivering student financial  
19 assistance;

20 “(D) the extent of the cost savings to the  
21 institution, the student, and the Federal Gov-  
22 ernment by virtue of the waivers provided, and  
23 an estimate as to future cost savings should the  
24 demonstration program continue;



1           “(E) the extent to which students saved  
2           money by virtue of completing their postsec-  
3           ondary education sooner;

4           “(F) the extent to which the institution re-  
5           duced its tuition and fees and its costs by virtue  
6           of participation in the demonstration program;

7           “(G) the extent to which any collaborative  
8           arrangements with other institutions or organi-  
9           zations have reduced the participating institu-  
10          tion’s costs; and

11          “(H) the extent to which statutory or reg-  
12          ulatory requirements not waived under the dem-  
13          onstration program present difficulties for stu-  
14          dents or institutions.

15          “(2) POLICY ANALYSIS.—The Secretary shall  
16          review current policies and identify those policies  
17          that present impediments to the development and  
18          use of distance education and other nontraditional  
19          methods of expanding access to education.

20          “(3) REPORTS.—The Secretary shall provide a  
21          report to the authorizing committees on a biennial  
22          basis regarding—

23                 “(A) the demonstration program author-  
24                 ized under this section;



1 “(B) the results of the evaluations con-  
2 ducted under paragraph (1);

3 “(C) the cost savings to the Federal Gov-  
4 ernment by the demonstration program author-  
5 ized by this section; and

6 “(D) recommendations for changes to in-  
7 crease the efficiency and effective delivery of fi-  
8 nancial aid.

9 “(g) OVERSIGHT.—In conducting the demonstration  
10 program authorized under this section, the Secretary  
11 shall, on a continuing basis—

12 “(1) ensure compliance of institutions or sys-  
13 tems of institutions with the requirements of this  
14 title (other than the sections and regulations that  
15 are waived under subsection (b)(2));

16 “(2) provide technical assistance to institutions  
17 in their application to and participation in the dem-  
18 onstration program;

19 “(3) monitor fluctuations in the student popu-  
20 lation enrolled in the participating institutions or  
21 systems of institutions;

22 “(4) monitor changes in financial assistance  
23 provided at the institution; and



1 “(5) consult with appropriate accrediting agen-  
2 cies or associations and appropriate State regulatory  
3 authorities.

4 “(h) TERMINATION OF AUTHORITY.—The authority  
5 of the Secretary under this section shall cease to be effec-  
6 tive on October 1, 2011.”.

7 **SEC. 490. PROGRAM PARTICIPATION AGREEMENTS.**

8 (a) REFUND POLICIES.—Section 487(a) (20 U.S.C.  
9 1094(a)) is amended—

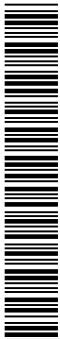
10 (1) in paragraph (22), by striking “refund pol-  
11 icy” and inserting “policy on the return of title IV  
12 funds”; and

13 (2) in paragraph (23)—

14 (A) by moving subparagraph (C) 2 em  
15 spaces to the left; and

16 (B) by adding after such subparagraph the  
17 following new subparagraph:

18 “(D) An institution shall be considered in com-  
19 pliance with the requirements of subparagraph (A)  
20 for any student to whom the institution electroni-  
21 cally transmits a message containing a voter reg-  
22 istration form acceptable for use in the State in  
23 which the institution is located, or an Internet ad-  
24 dress where such a form can be downloaded, pro-



1 vided such information is in an electronic message  
2 devoted to voter registration.”.

3 (b) ENFORCING THE 90/10 RULE.—

4 (1) AMENDMENT.—Section 487(a) (20 U.S.C.  
5 1094(a)) is further amended by adding at the end  
6 the following new paragraph:

7 “(24) The institution of higher education will  
8 annually demonstrate to the Secretary that at least  
9 10 percent of its tuition revenues are from sources  
10 paid by or on behalf of students from funds other  
11 than those provided directly under this title.”.

12 (2) CONFORMING AMENDMENT.—Section  
13 102(b)(1) (20 U.S.C. 1002(b)(1)) is amended—

14 (A) by inserting “and” after the semicolon  
15 at the end of subparagraph (D);

16 (B) by striking “; and” at the end of sub-  
17 paragraph (E) and inserting a period; and

18 (C) by striking subparagraph (F).

19 (c) REPORTS ON DISCIPLINARY PROCEEDINGS.—

20 (1) AMENDMENT.—Section 487(a) (20 U.S.C.  
21 1094(a)) is further amended by adding after para-  
22 graph (24) (as added by subsection (b) of this sec-  
23 tion) the following new paragraph:

24 “(25) The institution will disclose to the alleged  
25 victim of any crime of violence (as that term is de-



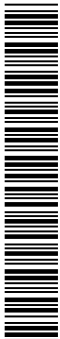
1        fined in section 16 of title 18), or a nonforcible sex  
2        offense, the final results of any disciplinary pro-  
3        ceeding conducted by such institution against a stu-  
4        dent who is the alleged perpetrator of such crime or  
5        offense with respect to such crime or offense. If the  
6        alleged victim of such crime or offense is deceased,  
7        the next of kin of such victim shall be treated as the  
8        alleged victim for purposes of this paragraph.”.

9            (2) EFFECTIVE DATE.—The amendment made  
10        by paragraph (1) shall apply with respect to any dis-  
11        ciplinary proceeding conducted by such institution  
12        on or after one year after the date of enactment of  
13        this Act.

14        (d) AUDIT REQUIREMENTS.—Section 487(c)(1)(A)(i)  
15        (20 U.S.C. 1094(c)(1)(A)(i)) is amended by inserting be-  
16        fore the semicolon at the end the following: “, except that  
17        the Secretary may modify the requirements of this clause  
18        with respect to institutions of higher education that are  
19        foreign institutions, and may waive such requirements  
20        with respect to a foreign institution whose students receive  
21        less than \$500,000 in loans under this title during the  
22        award year preceding the audit period”.

23        **SEC. 491. ADDITIONAL TECHNICAL AND CONFORMING**  
24        **AMENDMENTS.**

25        Part G is further amended as follows:



1           (1) Section 483(d) (20 U.S.C. 1090(d)) is  
2           amended by striking “that is authorized under sec-  
3           tion 685(d)(2)(C)” and inserting “, or another ap-  
4           propriate provider of technical assistance and infor-  
5           mation on postsecondary educational services, that is  
6           supported under section 663”.

7           (2) Section 484 (20 U.S.C. 1091) is amended—

8                 (A) in subsection (a)(4), by striking “cer-  
9                 tification,,” and inserting “certification,”;

10                (B) in subsection (b)(2)—

11                   (i) in the matter preceding subpara-  
12                   graph (A), by striking “section 428A” and  
13                   inserting “section 428H”;

14                   (ii) in subparagraph (A), by inserting  
15                   “and” after the semicolon at the end  
16                   thereof;

17                   (iii) in subparagraph (B), by striking  
18                   “; and” and inserting a period; and

19                   (iv) by striking subparagraph (C); and

20                 (C) in subsection (l)(1)(B)(i), by striking  
21                 “section 521(4)(C) of the Carl D. Perkins Vo-  
22                 cational and Applied Technology Education  
23                 Act” and inserting “section 3(3)(C) of the Carl  
24                 D. Perkins Vocational and Technical Education  
25                 Act of 1998”.



1           (3)     Section     484A(b)(2)     (20     U.S.C.  
2     1091a(b)(2)) is amended by striking “part B of this  
3     title” and inserting “part B, D, or E of this title”.

4           (4) Section 485B(a) (20 U.S.C. 1092b(a)) is  
5     amended—

6           (A) by redesignating paragraphs (6)  
7     through (10) as paragraphs (7) through (11),  
8     respectively;

9           (B) by redesignating the paragraph (5) (as  
10     added by section 2008 of Public Law 101–239)  
11     as paragraph (6); and

12          (C) in paragraph (5) (as added by section  
13     204(3) of the National Community Service Act  
14     of 1990 (Public Law 101–610))—

15           (i) by striking “(22 U.S.C. 2501 et  
16     seq.),” and inserting “(22 U.S.C. 2501 et  
17     seq.),”; and

18           (ii) by striking the period at the end  
19     thereof and inserting a semicolon.

20          (5) Section 491(c) (20 U.S.C. 1098(c)) is  
21     amended by adding at the end the following new  
22     paragraph:

23     “(3) The appointment of members under subpara-  
24     graphs (A) and (B) of paragraph (1) shall be effective



1 upon publication of the appointment in the Congressional  
2 Record.”.

3 (6) Section 491(h) (20 U.S.C. 1098(h)) is  
4 amended by striking “the rate authorized for GS–18  
5 of the General Schedule” and inserting “the max-  
6 imum rate payable under section 5376 of such title”.

7 (7) Section 491(k) (20 U.S.C. 1098(k)) is  
8 amended by striking “2004” and inserting “2011”.

9 (8) Section 493A (20 U.S.C. 1098c) is re-  
10 pealed.

11 (9) Section 498 (20 U.S.C. 1099c) is  
12 amended—

13 (A) in subsection (c)(2), by striking “for  
14 profit,” and inserting “for-profit,”; and

15 (B) in subsection (d)(1)(B), by inserting  
16 “and” after the semicolon at the end thereof.

17 **PART 8—PROGRAM INTEGRITY**

18 **SEC. 495. ACCREDITATION.**

19 (a) STANDARDS FOR ACCREDITATION.—Section  
20 496(a) (20 U.S.C. 1099b(a)) is amended—

21 (1) in paragraph (3)—

22 (A) by inserting “or” after the semicolon  
23 at the end of subparagraph (A);

24 (B) by striking subparagraph (B); and



1 (C) by redesignating subparagraph (C) as  
2 subparagraph (B);

3 (2) in paragraph (4)—

4 (A) by inserting “(A)” after “(4)”;

5 (B) by inserting “and” after the semicolon  
6 at the end thereof; and

7 (C) by adding at the end the following new  
8 subparagraph:

9 “(B) if such agency or association already has  
10 or seeks to include within its scope of recognition  
11 the evaluation of the quality of institutions or pro-  
12 grams offering distance education, such agency or  
13 association shall, in addition to meeting the other re-  
14 quirements of this subpart, demonstrate to the Sec-  
15 retary that—

16 “(i) the accreditation agency’s or associa-  
17 tion’s standards effectively address the quality  
18 of an institution’s distance education programs  
19 in the areas identified in paragraph (5) of this  
20 subsection, except that the agency or associa-  
21 tion shall not be required to have separate  
22 standards, procedures, or policies for the eval-  
23 uation of distance education institutions or pro-  
24 grams in order to meet the requirements of this  
25 subparagraph; and



1           “(ii) the agency or association requires  
2           that an institution that offers distance edu-  
3           cation programs to have processes by which it  
4           establishes that the student who registers in a  
5           distance education course or program is the  
6           same student who participates, completes aca-  
7           demic work, and receives academic credit.”;

8           (3) in paragraph (5)—

9           (A) by amending subparagraph (A) to read  
10          as follows:

11          “(A) success with respect to student  
12          achievement in relation to the institution’s mis-  
13          sion, including, as appropriate, consideration of  
14          student academic achievement as determined by  
15          the institution (in accordance with standards of  
16          the accrediting agency or association), reten-  
17          tion, course and program completion, State li-  
18          censing examinations, and job placement rates;  
19          and other student performance information se-  
20          lected by the institution, particularly that infor-  
21          mation used by the institution to evaluate or  
22          strengthen its programs;”;

23          (B) by amending subparagraph (E) to read  
24          as follows:



1           “(E) fiscal, administrative capacity, as ap-  
2           propriate to the specified scale of operations,  
3           and, for an agency or association where its ap-  
4           proval for such institution determines eligibility  
5           for student assistance under this title, board  
6           governance, within the context of the institu-  
7           tion’s mission;”;

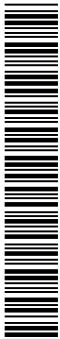
8           (4) by striking paragraph (6) and inserting the  
9           following:

10           “(6) such an agency or association shall estab-  
11           lish and apply review procedures throughout the ac-  
12           crediting process, including evaluation and with-  
13           drawal proceedings that comply with due process  
14           that provides for—

15           “(A) adequate specification of require-  
16           ments and deficiencies at the institution of  
17           higher education or program being examined;

18           “(B) an opportunity for a written response  
19           by any such institution to be included in the  
20           evaluation and withdrawal proceedings;

21           “(C) upon the written request of an insti-  
22           tution, an opportunity for the institution to ap-  
23           peal any adverse action at a hearing prior to  
24           such action becoming final before an appeals  
25           panel that—



1 “(i) shall not include current members  
2 of the agency or association’s underlying  
3 decision-making body that made the ad-  
4 verse decision; and

5 “(ii) is subject to a conflict of interest  
6 of policy; and

7 “(D) the right to representation by counsel  
8 for an such institution;”; and

9 (5) by striking paragraph (8) and inserting the  
10 following:

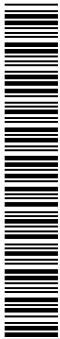
11 “(8) such agency or association shall make  
12 available to the public and submit to the Secretary  
13 and the State licensing or authorizing agency, to-  
14 gether with the comments of the affected institution,  
15 a summary of agency or association actions,  
16 involving—

17 “(A) final denial, withdrawal, suspension,  
18 or termination of accreditation; and

19 “(B) any other final adverse action taken  
20 with respect to an institution.”.

21 (b) OPERATING PROCEDURES.—Section 496(c) (20  
22 U.S.C. 1099b(c)) is amended—

23 (1) by inserting “(including those regarding dis-  
24 tance education)” before the semicolon at the end of  
25 paragraph (1);



1 (2) by striking “and” at the end of paragraph  
2 (5);

3 (3) by striking the period at the end of para-  
4 graph (6) and inserting a semicolon; and

5 (4) by inserting after paragraph (6) the fol-  
6 lowing new paragraphs:

7 “(7) ensures that its onsite comprehensive re-  
8 views for accreditation or reaccreditation include  
9 evaluation of the substance of the information re-  
10 quired in subparagraph (H) of section 485(a)(1);

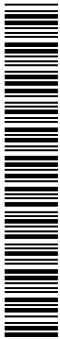
11 “(8) confirms as a part of its review for accred-  
12 itation or reaccreditation that the institution has  
13 transfer policies that are—

14 “(A) publicly disclosed; and

15 “(B) do not deny transfer of credit based  
16 solely on the accreditation of the sending insti-  
17 tution as long as the association or agency is  
18 recognized by the Secretary pursuant to section  
19 496;

20 “(9) develops a brief summary, available to the  
21 public, of final adverse actions in accordance with  
22 the requirements of subsection (a)(8);

23 “(10) monitors the growth of distance edu-  
24 cation programs, at institutions that are experi-



1       encing significant enrollment growth relative to insti-  
2       tutional capacity in distance education;

3               “(11) discloses publicly, on the agency’s website  
4       or through other similar dissemination—

5               “(A) a list of the individuals who com-  
6       prised the evaluation teams during the prior  
7       calendar year for each agency or association  
8       and the title and institutional affiliation of such  
9       individuals, although such list shall not be re-  
10      quired to identify those individuals who com-  
11      prised the evaluation team used for any specific  
12      institution;

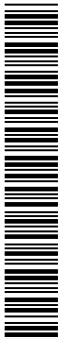
13              “(B) a description of the agency’s or asso-  
14      ciation’s process for selecting, preparing, and  
15      evaluating such individuals; and

16              “(C) any statements related to the accredi-  
17      tation responsibilities of such individuals; and

18              “(12) reviews the record of student complaints  
19      resulting from the student information process de-  
20      scribed in section 485(a)(1)(J).”.

21      (c) LIMITATION, SUSPENSION, AND TERMINATION OF  
22      RECOGNITION.—Section 496(l) is amended by adding at  
23      the end the following new paragraph:

24              “(3) The Secretary shall provide an annual report to  
25      Congress on the status of any agency or association for



1 which the Secretary has limited, suspended or terminated  
2 recognition under this subsection.”.

3 (d) COLLEGE CONSUMER PROFILE.—Section 496 is  
4 further amended—

5 (1) by redesignating subsection (o) as sub-  
6 section (p); and

7 (2) by inserting after subsection (n):

8 “(o) COLLEGE CONSUMER PROFILE.—

9 “(1) INFORMATION DISSEMINATION.—No ac-  
10 crediting agency or association shall be recognized  
11 by the Secretary as a reliable authority as to the  
12 quality of the education or training offered by an in-  
13 stitution seeking to participate in the programs au-  
14 thorized under this title, unless the agency ensures  
15 each institution subject to its jurisdiction makes  
16 publicly available in a uniform and comprehensible  
17 manner, a college consumer profile including, at  
18 minimum, information on the institution’s—

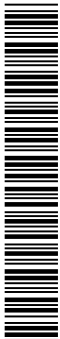
19 “(A) mission;

20 “(B) student demographics;

21 “(C) accreditation;

22 “(D) faculty/student ratios;

23 “(E) faculty qualifications, including the  
24 number of faculty with terminal degrees;



1           “(F) tuition, fees, and other costs of at-  
2           tending the institution;

3           “(G) student services, including services  
4           for students with disabilities;

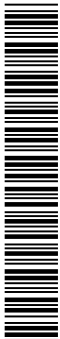
5           “(H) policies and procedures for evaluating  
6           and accepting credits earned by students trans-  
7           ferring from other institutions and the percent-  
8           age of such credits accepted;

9           “(I) completion and graduation rates; and

10          “(J) placement rates and other measures  
11          of success in preparing students for entry into  
12          or advancement in the workforce.

13          “(2) PUBLICATION OF COLLEGE CONSUMER  
14          PROFILE.—The contents of the college consumer  
15          profile required by paragraph (1) shall be made pub-  
16          lic through dissemination via the Secretary’s data  
17          collection and dissemination system. The informa-  
18          tion required to be disclosed by section 485 may be  
19          used by the institution to provide (where applicable)  
20          the contents of the college consumer profile, but  
21          nothing in this subsection shall be construed to re-  
22          lieve the institution of any information disclosure re-  
23          quirement of such section.”.

24          (e) PROGRAM REVIEW AND DATA.—Section 498A(b)  
25          (20 U.S.C. 1099c-1(b)) is amended—



1 (1) by striking “and” at the end of paragraph  
2 (4);

3 (2) by striking the period at the end of para-  
4 graph (5) and inserting a semicolon; and

5 (3) by adding at the end the following new  
6 paragraphs:

7 “(6) provide to the institution adequate oppor-  
8 tunity to review and respond to any program review  
9 report or audit finding and underlying materials re-  
10 lated thereto before any final program review or  
11 audit determination is reached;

12 “(7) review and take into consideration the in-  
13 stitution’s response in any final program review or  
14 audit determination, and include in the final  
15 determination—

16 “(A) a written statement addressing the  
17 institution’s response and stating the basis for  
18 such final determination; and

19 “(B) a copy of the institution’s statement  
20 in response, appropriately redacted to protect  
21 confidential information;

22 “(8) maintain and preserve at all times the con-  
23 fidentiality of any program review report or audit  
24 finding until the requirements of paragraphs (6) and  
25 (7) are met, and until a final program review or



1 audit determination has been issued, except to the  
2 extent required to comply with paragraph (5), pro-  
3 vided, however, that the Secretary shall promptly  
4 disclose any and all program review reports and  
5 audit findings to the institution under review; and

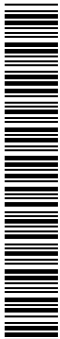
6 “(9) require that the authority to approve or  
7 issue any program review report or audit finding,  
8 preliminary or otherwise, that contains any finding,  
9 determination, or proposed assessment that exceeds  
10 or may exceed \$500,000 in liabilities shall not be  
11 delegated to any official beyond the Chief Operating  
12 Officer of Federal Student Aid.”.

13 **SEC. 496. REPORT TO CONGRESS ON PREVENTION OF**  
14 **FRAUD AND ABUSE IN STUDENT FINANCIAL**  
15 **AID PROGRAMS.**

16 Title IV is amended by adding at the end the fol-  
17 lowing new section:

18 **“SEC. 499. REPORT TO CONGRESS ON PREVENTION OF**  
19 **FRAUD AND ABUSE IN STUDENT FINANCIAL**  
20 **AID PROGRAMS.**

21 “(a) PURPOSE.—It is the purpose of this section to  
22 require the Secretary to commission an independent, non-  
23 partisan, comprehensive study on the prevention of fraud  
24 and abuse in title IV student financial aid programs, and  
25 to report the results of such study to Congress.



1       “(b) SCOPE OF REPORT.—The study under this sec-  
2 tion shall thoroughly identify and address the following:

3           “(1) The extent to which students are currently  
4 victimized by fraud and abuse in title IV student fi-  
5 nancial aid programs, and the nature of such fraud  
6 and abuse.

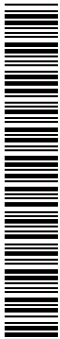
7           “(2) The effectiveness of existing policies and  
8 requirements under this Act that were put in place  
9 to prevent fraud and abuse in title IV student finan-  
10 cial aid programs, and how such policies and re-  
11 quirements should be improved.

12           “(3) The extent to which existing protections  
13 against fraud and abuse under this Act are ade-  
14 quately enforced, and how enforcement should be  
15 strengthened.

16           “(4) Areas in which additional information is  
17 needed to assess the effectiveness of current protec-  
18 tions and enforcement against fraud and abuse.

19           “(5) Existing policies and requirements under  
20 this Act aimed at fraud and abuse that are ineffec-  
21 tive, hinder innovation, or could be eliminated with-  
22 out reducing effectiveness.

23           “(6) New policies and enforcement, particularly  
24 those suited for the current higher education mar-



1 ketplace, needed to protect against fraud and abuse  
2 in title IV student financial aid programs.

3 “(7) The extent to which States are imple-  
4 menting regulations to protect students from fraud  
5 and abuse, and whether changes to Federal law will  
6 preempt such regulations.

7 “(c) REPORT.—Not later than December 31, 2007,  
8 the Secretary shall transmit to Congress a report on the  
9 study conducted under this section. Such report shall in-  
10 clude clear and specific recommendations for legislative  
11 and regulatory actions that are likely to significantly re-  
12 duce the fraud and abuse in title IV student financial aid  
13 programs identified under subsection (b).”.

## 14 **TITLE V—DEVELOPING** 15 **INSTITUTIONS**

### 16 **SEC. 501. DEFINITIONAL CHANGES.**

17 Section 502(a) (20 U.S.C. 1101a(a)) is amended—

18 (1) in paragraph (5)—

19 (A) by inserting “and” after the semicolon  
20 at the end of subparagraph (A);

21 (B) by inserting “at the end of the award  
22 year immediately preceding the date of applica-  
23 tion” after “Hispanic students” in subpara-  
24 graph (B);



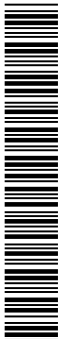
1 (C) by striking “; and” at the end of sub-  
2 paragraph (B) and inserting a period; and  
3 (D) by striking subparagraph (C); and  
4 (2) by striking paragraph (7).

5 **SEC. 502. ASSURANCE OF ENROLLMENT OF NEEDY STU-**  
6 **DENTS.**

7 Section 511(c) (20 U.S.C. 1103(c)) is amended—  
8 (1) by redesignating paragraphs (8) and (9) as  
9 paragraphs (9) and (10), respectively; and  
10 (2) by inserting after paragraph (7) the fol-  
11 lowing new paragraph:  
12 “(8) contain such assurances as the Secretary  
13 may require that the institution has an enrollment  
14 of needy students as required by section 502(b);”.

15 **SEC. 503. ADDITIONAL AMENDMENTS.**

16 Title V is further amended—  
17 (1) in section 502(a)(2)(A) (20 U.S.C.  
18 1101a(a)(2)(A)), by redesignating clauses (v) and  
19 (vi) as clauses (vi) and (vii), respectively, and insert-  
20 ing after clause (iv) the following new clause:  
21 “(v) which provides a program of not  
22 less than 2 years that is acceptable for full  
23 credit toward a bachelor’s degree; and”;  
24 (2) in section 503(b) (20 U.S.C. 1101b(b))—



1 (A) by amending paragraph (2) to read as  
2 follows:

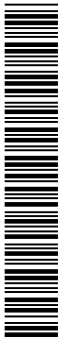
3 “(2) Construction, maintenance, renovation,  
4 and improvement in classrooms, libraries, labora-  
5 tories, and other instructional facilities, including  
6 purchase or rental of telecommunications technology  
7 equipment or services, and the acquisition of real  
8 property adjacent to the campus of the institution  
9 on which to construct such facilities.”;

10 (B) by amending paragraph (12) to read  
11 as follows:

12 “(12) Establishing community outreach pro-  
13 grams and collaborative partnerships between His-  
14 panic-serving institutions and local elementary or  
15 secondary schools. Such partnerships may include  
16 mentoring, tutoring, or other instructional opportu-  
17 nities that will boost student academic achievement  
18 and assist elementary and secondary school students  
19 in developing the academic skills and the interest to  
20 pursue postsecondary education.”;

21 (C) by redesignating paragraphs (5)  
22 through (14) as paragraphs (6) through (15),  
23 respectively; and

24 (D) by inserting after paragraph (4) the  
25 following:



1 “(5) Education or counseling services designed  
2 to improve the financial literacy and economic lit-  
3 eracy of students and, as appropriate, their par-  
4 ents.”;

5 (3) in section 504(a) (20 U.S.C. 1101c(a))—

6 (A) by striking the following:

7 “(a) AWARD PERIOD.—

8 “(1) IN GENERAL.—The Secretary” and insert-  
9 ing the following:

10 “(a) AWARD PERIOD.—The Secretary”; and

11 (B) by striking paragraph (2); and

12 (4) in section 514(c) (20 U.S.C. 1103c(c)), by  
13 striking “section 505” and inserting “section 504”.

14 **SEC. 504. TITLE V AUTHORIZATION.**

15 Subsection (a) of section 518 of such Act (20 U.S.C.  
16 1103g(a)) is amended to read as follows:

17 “(a) AUTHORIZATIONS OF APPROPRIATIONS.—There  
18 are authorized to be appropriated to carry out this title  
19 \$96,000,000 for fiscal year 2006 and such sums as may  
20 be necessary for each of the 5 succeeding fiscal years.”.



**TITLE VI—TITLE VI**  
**AMENDMENTS**

**SEC. 601. INTERNATIONAL AND FOREIGN LANGUAGE STUD-**  
**IES.**

(a) FINDINGS AND PURPOSES.—Section 601 (20  
U.S.C. 1121) is amended—

(1) in subsection (a)—

(A) by striking “post-Cold War” in para-  
graph (3);

(B) by redesignating paragraphs (4) and  
(5) as paragraphs (5) and (6), respectively; and

(C) by inserting after paragraph (3) the  
following new paragraph:

“(4) The events and aftermath of September  
11, 2001, have underscored the need for the nation  
to strengthen and enhance American knowledge of  
international relations, world regions, and foreign  
languages. Homeland security and effective United  
States engagement abroad depend upon an increased  
number of Americans who have received such train-  
ing and are willing to serve their nation.”;

(2) in subsection (b)(1)—

(A) by striking “; and” at the end of sub-  
paragraph (D) and inserting “, including  
through linkages overseas with institutions of



1 higher education and relevant organizations  
2 that contribute to the educational programs as-  
3 sisted under this part;”;

4 (B) by inserting “and” after the semicolon  
5 at the end of subparagraph (E);

6 (C) by inserting after such subparagraph  
7 (E) the following new subparagraph:

8 “(F) to assist the national effort to educate and  
9 train citizens to participate in the efforts of home-  
10 land security;”; and

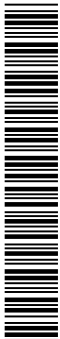
11 (3) in subsection (b)(3), by inserting “reinforce  
12 and” before “coordinate”.

13 (b) GRADUATE AND UNDERGRADUATE LANGUAGE  
14 AND AREA CENTERS AND PROGRAMS.—Section 602(a)  
15 (20 U.S.C. 1122(a)) is amended—

16 (1) in paragraph (1), by striking subparagraph  
17 (A) and inserting the following:

18 “(A) IN GENERAL.—The Secretary is au-  
19 thorized to make grants to institutions of high-  
20 er education or consortia of such institutions  
21 for the purpose of establishing, strengthening,  
22 and operating—

23 “(i) comprehensive foreign language  
24 and area or international studies centers  
25 and programs; and



1 “(ii) a diverse network of under-  
2 graduate foreign language and area or  
3 international studies centers and pro-  
4 grams.”;

5 (2) in paragraph (2)—

6 (A) by striking “and” at the end of sub-  
7 paragraph (G);

8 (B) by striking the period at the end of  
9 subparagraph (H) and inserting a semicolon;  
10 and

11 (C) by inserting after subparagraph (H)  
12 the following new subparagraphs:

13 “(I) supporting instructors of the less com-  
14 monly taught languages;

15 “(J) widely disseminating materials devel-  
16 oped by the center or program to local edu-  
17 cational agencies and public and private ele-  
18 mentary and secondary education schools, and  
19 institutions of higher education, presented from  
20 diverse perspectives and reflective of the full  
21 range of views on the subject matter, except  
22 that no more than 50 percent of funds awarded  
23 to an institution of higher education or con-  
24 sortia of such institutions for purposes under



1 this title may be associated with the costs of  
2 dissemination; and

3 “(K) projects that support in students an  
4 understanding of science and technology in co-  
5 ordination with foreign language proficiency.”;  
6 and

7 (3) in paragraph (4)—

8 (A) by amending subparagraph (B) to read  
9 as follows:

10 “(B) Partnerships or programs of linkage  
11 and outreach with 2-year and 4-year colleges  
12 and universities, including colleges of education  
13 and teacher professional development pro-  
14 grams.”;

15 (B) in subparagraph (C), by striking “Pro-  
16 grams of linkage or outreach” and inserting  
17 “Partnerships or programs of linkage and out-  
18 reach”;

19 (C) in subparagraph (E)—

20 (i) by striking “foreign area” and in-  
21 serting “area studies”;

22 (ii) by striking “of linkage and out-  
23 reach”; and

24 (iii) by striking “(C), and (D)” and  
25 inserting “(D), and (E)”;



1 (D) by redesignating subparagraphs (C),  
2 (D), and (E) as subparagraphs (D), (E), and  
3 (F), respectively; and

4 (E) by inserting after subparagraph (B)  
5 the following new subparagraph:

6 “(C) Partnerships with local educational  
7 agencies and public and private elementary and  
8 secondary education schools that are designed  
9 to increase student academic achievement in  
10 foreign language and knowledge of world re-  
11 gions, and to facilitate the wide dissemination  
12 of materials related to area studies, foreign lan-  
13 guages, and international studies that are re-  
14 flective of a full range of views on the subject  
15 matter.”.

16 (c) LANGUAGE RESOURCE CENTERS.—Section  
17 603(c) (20 U.S.C. 1123(c)) is amended by inserting “re-  
18 flect the purposes of this part and” after “shall”.

19 (d) UNDERGRADUATE INTERNATIONAL STUDIES AND  
20 FOREIGN LANGUAGE PROGRAMS.—Section 604 (20  
21 U.S.C. 1124) is amended—

22 (1) in subsection (a)(1), by striking “combina-  
23 tions” each place it appears and inserting “con-  
24 sortia”;

25 (2) in subsection (a)(2)—



1 (A) in subparagraph (B)(ii), by striking  
2 “teacher training” and inserting “teacher pro-  
3 fessional development”;

4 (B) by redesignating subparagraphs (I)  
5 through (M) as subparagraphs (J) through (N),  
6 respectively;

7 (C) by inserting after subparagraph (H)  
8 the following new subparagraph:

9 “(I) the provision of grants for educational  
10 programs abroad that are closely linked to the  
11 program’s overall goals and have the purpose of  
12 promoting foreign language fluency and knowl-  
13 edge of world regions, except that not more  
14 than 10 percent of a grant recipient’s funds  
15 may be used for this purpose;”; and

16 (D) in subparagraph (M)(ii) (as redesign-  
17 ated by subparagraph (B) of this paragraph),  
18 by striking “elementary and secondary edu-  
19 cation institutions” and inserting “local edu-  
20 cational agencies and public and private ele-  
21 mentary and secondary education schools”;

22 (3) in subsection (a)(4)(B), by inserting “that  
23 demonstrates a need for a waiver or reduction” be-  
24 fore the period at the end;



1 (4) in subsection (a)(6), by inserting “reflect  
2 the purposes of this part and” after “shall”;

3 (5) in subsection (a)(8), by striking “may” and  
4 inserting “shall”; and

5 (6) by striking subsection (c).

6 (e) RESEARCH; STUDIES; ANNUAL REPORT.—Sec-  
7 tion 605(a) (20 U.S.C. 1125(a)) is amended by inserting  
8 before the period at the end of the first sentence the fol-  
9 lowing: “, including the systematic collection, analysis and  
10 dissemination of data”.

11 (f) TECHNOLOGICAL INNOVATION AND COOPERATION  
12 FOR FOREIGN INFORMATION ACCESS.—Section 606 (20  
13 U.S.C. 1126) is amended—

14 (1) in subsection (a)—

15 (A) by striking “or consortia of such insti-  
16 tutions or libraries” and inserting “museums,  
17 or consortia of such entities”;

18 (B) by striking “new”; and

19 (C) by inserting “from foreign sources”  
20 after “disseminate information”;

21 (2) in subsection (b)—

22 (A) by inserting “acquire and” before “fa-  
23 cilitate access” in paragraph (1);



1 (B) by striking “new means of” in para-  
2 graph (3) and inserting “new means and stand-  
3 ards for”;

4 (C) by striking “and” at the end of para-  
5 graph (6);

6 (D) by striking the period at the end of  
7 paragraph (7) and by inserting a semicolon;  
8 and

9 (E) by inserting after paragraph (7) the  
10 following new paragraphs:

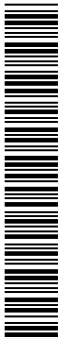
11 “(8) to establish linkages between grant recipi-  
12 ents under subsection (a) with libraries, museums,  
13 organizations, or institutions of higher education lo-  
14 cated overseas to facilitate carrying out the purposes  
15 of this section; and

16 “(9) to carry out other activities deemed by the  
17 Secretary to be consistent with the purposes of this  
18 section.”; and

19 (3) by adding at the end the following new sub-  
20 section:

21 “(e) SPECIAL RULE.—The Secretary may waive or  
22 reduce the required non-Federal share for institutions  
23 that—

24 “(1) are eligible to receive assistance under part  
25 A or B of title III or under title V; and



1           “(2) have submitted a grant application under  
2           this section that demonstrates a need for a waiver  
3           or reduction.”.

4           (g) SELECTION OF GRANT RECIPIENTS.—Section  
5   607(b) (20 U.S.C. 1125a(b)) is amended—

6           (1) by striking out “objectives” and inserting  
7           “missions”; and

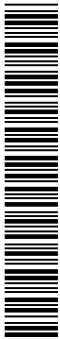
8           (2) by adding at the end the following new sen-  
9           tence: “In keeping with the purposes of this part,  
10          the Secretary shall take into account the degree to  
11          which activities of centers, programs, and fellowships  
12          at institutions of higher education advance national  
13          interests, generate and disseminate information, and  
14          foster debate on American foreign policy from di-  
15          verse perspectives.”.

16          (h) EQUITABLE DISTRIBUTION.—Section 608(a) (20  
17   U.S.C. 1128(a)) is amended by adding at the end the fol-  
18   lowing new sentence: “Grants made under section 602  
19   shall also reflect the purposes of this part.”.

20          (i) AUTHORIZATION OF APPROPRIATIONS.—Section  
21   610 (20 U.S.C. 1128b) is amended—

22           (1) by striking “1999” and inserting “2006”;  
23           and

24           (2) by striking “4 succeeding” and inserting “5  
25          succeeding”.



1 (j) CONFORMING AMENDMENTS.—Sections 603(a),  
2 604(a)(5), and 612 (20 U.S.C. 1123(a), 1124(a)(5),  
3 1130–1) are each amended by striking “combinations”  
4 each place it appears and inserting “consortia”.

5 **SEC. 602. BUSINESS AND INTERNATIONAL EDUCATION PRO-**  
6 **GRAMS.**

7 (a) CENTERS FOR INTERNATIONAL BUSINESS EDU-  
8 CATION.—Section 612 (20 U.S.C. 1130–1) is amended—

9 (1) in subsection (c)(1)(D), by inserting “(in-  
10 cluding those that are eligible to receive assistance  
11 under part A or B of title III or under title V)”  
12 after “other institutions of higher education”; and

13 (2) in subsection (e), by adding at the end the  
14 following new paragraph:

15 “(5) SPECIAL RULE.—The Secretary may waive  
16 or reduce the required non-Federal share for institu-  
17 tions that—

18 “(A) are eligible to receive assistance  
19 under part A or B of title III or under title V;  
20 and

21 “(B) have submitted a grant application  
22 under this section that demonstrates a need for  
23 a waiver or reduction.”.



1 (b) EDUCATION AND TRAINING PROGRAMS.—Section  
2 613 (20 U.S.C. 1130a) is amended by adding at the end  
3 the following new subsection:

4 “(e) SPECIAL RULE.—The Secretary may waive or  
5 reduce the required non-Federal share for institutions  
6 that—

7 “(1) are eligible to receive assistance under part  
8 A or B of title III or under title V; and

9 “(2) have submitted a grant application under  
10 this section that demonstrates a need for a waiver  
11 or reduction.”.

12 (c) AUTHORIZATION OF APPROPRIATIONS.—Section  
13 614 (20 U.S.C. 1130b) is amended—

14 (1) by striking “1999” each place it appears  
15 and inserting “2006”; and

16 (2) by striking “4 succeeding” each place it ap-  
17 pears and inserting “5 succeeding”.

18 **SEC. 603. INSTITUTE FOR INTERNATIONAL PUBLIC POLICY.**

19 (a) FOREIGN SERVICE PROFESSIONAL DEVELOP-  
20 MENT.—Section 621 (20 U.S.C. 1131) is amended—

21 (1) by striking the heading of such section and  
22 inserting the following:



1 **“SEC. 621. PROGRAM FOR FOREIGN SERVICE PROFES-**  
2 **SIONALS.”;**

3 (2) by striking the second sentence of sub-  
4 section (a) and inserting the following: “The Insti-  
5 tute shall conduct a program to enhance the inter-  
6 national competitiveness of the United States by in-  
7 creasing the participation of underrepresented popu-  
8 lations in the international service, including private  
9 international voluntary organizations and the foreign  
10 service of the United States.”;

11 (3) in subsection (b)(1), by striking subpara-  
12 graphs (A) and (B) and inserting the following:

13 “(A) An Indian Tribal College or Univer-  
14 sity or Alaska Native and Native Hawaiian-  
15 serving institution eligible for assistance under  
16 title III, an institution eligible for assistance  
17 under part B of title III, or an Hispanic-serving  
18 institution eligible for assistance under title V.

19 “(B) An institution of higher education  
20 which serves substantial numbers of underrep-  
21 resented students.”; and

22 (4) by striking subsection (e) and inserting the  
23 following:

24 “(e) MATCH REQUIRED.—The eligible recipient of a  
25 grant under this section shall contribute to the conduct  
26 of the program supported by the grant an amount from



1 non-Federal sources equal to at least one-half of the  
2 amount of the grant. Such contribution may be in cash  
3 or in kind. The Secretary may waive or reduce the re-  
4 quired non-Federal share for institutions that—

5 “(1) are eligible to receive assistance under part  
6 A or B of title III or under title V; and

7 “(2) have submitted a grant application under  
8 this section that demonstrates a need for a waiver  
9 or reduction.”.

10 (b) INSTITUTIONAL DEVELOPMENT.—Section 622  
11 (20 U.S.C. 1131a) is amended by inserting before the pe-  
12 riod at the end of subsection (a) the following: “and pro-  
13 mote collaboration with colleges and universities that re-  
14 ceive funds under this title”.

15 (c) STUDY ABROAD PROGRAM.—Section 623(a) (20  
16 U.S.C. 1131b(a)) is amended by inserting after “1978,”  
17 the following: “Alaska Native-serving, Native Hawaiian-  
18 serving, and Hispanic-serving institutions,”.

19 (d) ADVANCED DEGREE IN INTERNATIONAL RELA-  
20 TIONS.—Section 624 (20 U.S.C. 1131b) is amended—

21 (1) by striking “**MASTERS**” in the heading of  
22 such section and inserting “**ADVANCED**”;

23 (2) by striking “a masters degree in inter-  
24 national relations” and inserting “an advanced de-  
25 gree in international relations, international affairs,



1 international economics, or other academic areas re-  
2 lated to the Institute fellow's career objectives"; and  
3 (3) by striking "The masters degree program"  
4 and inserting "The advanced degree study program  
5 shall be designed by the consortia, consistent with  
6 the fellow's career objectives, and".

7 (e) INTERNSHIPS.—Section 625 (20 U.S.C. 1131c)  
8 is amended—

9 (1) in subsection (a), by inserting after "1978,"  
10 the following: "Alaska Native-serving, Native Hawai-  
11 ian-serving, and Hispanic-serving institutions,";

12 (2) in subsection (b)—

13 (A) by inserting "and" after the semicolon  
14 at the end of paragraph (2);

15 (B) by striking "; and" at the end of para-  
16 graph (3) and inserting a period; and

17 (C) by striking paragraph (4); and

18 (3) by amending subsection (c) to read as fol-  
19 lows:

20 "(c) RALPH J. BUNCHE FELLOWS.—In order to as-  
21 sure the recognition and commitment of individuals from  
22 underrepresented student populations who demonstrate  
23 special interest in international affairs and language  
24 study, eligible students who participate in the internship



1 programs authorized under (a) and (b) shall be known as  
2 the ‘Ralph J. Bunche Fellows’.”.

3 (f) REPORT.—Section 626 (20 U.S.C. 1131d) is  
4 amended by striking “annually prepare a report” and in-  
5 serting “prepare a report biennially”.

6 (g) AUTHORIZATION OF APPROPRIATIONS.—Section  
7 628 (20 U.S.C. 1131f) is amended—

8 (1) by striking “1999” and inserting “2006”;  
9 and

10 (2) by striking “4 succeeding” and inserting “5  
11 succeeding”.

12 **SEC. 604. EVALUATION, OUTREACH, AND DISSEMINATION.**

13 Part D of title VI is amended by inserting after sec-  
14 tion 631 (20 U.S.C. 1132) the following new section:

15 **“SEC. 632. EVALUATION, OUTREACH, AND DISSEMINATION.**

16 “The Secretary may use not more than 1 percent of  
17 the funds made available for this title for program evalua-  
18 tion, national outreach, and information dissemination ac-  
19 tivities.”.

20 **SEC. 605. ADVISORY BOARD.**

21 Part D of title VI is amended by inserting after sec-  
22 tion 632 (as added by section 604) the following new sec-  
23 tion:



1 **“SEC. 633. INTERNATIONAL HIGHER EDUCATION ADVISORY**  
2 **BOARD.**

3 “(a) ESTABLISHMENT AND PURPOSE.—

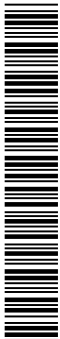
4 “(1) ESTABLISHMENT.—There is established in  
5 the Department an independent International High-  
6 er Education Advisory Board (hereafter in this sec-  
7 tion referred to as the ‘International Advisory  
8 Board’). The International Advisory Board shall  
9 provide advice, counsel and recommendations to the  
10 Secretary and the Congress on international edu-  
11 cation issues for higher education.

12 “(2) PURPOSE.—The purpose of the Inter-  
13 national Advisory Board is—

14 “(A) to provide expertise in the area of na-  
15 tional needs for proficiency in world regions,  
16 foreign languages, and international affairs;

17 “(B) to make recommendations that will  
18 promote the excellence of international edu-  
19 cation programs and result in the growth and  
20 development of such programs at the postsec-  
21 ondary education level that will reflect diverse  
22 perspectives and the full range of views on  
23 world regions, foreign language, and inter-  
24 national affairs; and

25 “(C) to advise the Secretary and the Con-  
26 gress with respect to needs for expertise in gov-



1           ernment, the private sector, and education in  
2           order to enhance America's understanding of,  
3           and engagement in, the world.

4           “(b) INDEPENDENCE OF INTERNATIONAL ADVISORY  
5 BOARD.—In the exercise of its functions, powers, and du-  
6 ties, the International Advisory Board shall be inde-  
7 pendent of the Secretary and the other offices and officers  
8 of the Department. Except as provided in this subsection  
9 and subsection (f), the recommendations of the Inter-  
10 national Advisory Board shall not be subject to review or  
11 approval by any officer of the Federal Government. Noth-  
12 ing in this title shall be construed to authorize the Inter-  
13 national Advisory Board to mandate, direct, or control an  
14 institution of higher education's specific instructional con-  
15 tent, curriculum, or program of instruction. The Board  
16 is authorized to study, monitor, apprise, and evaluate a  
17 sample of activities supported under this title in order to  
18 provide recommendations to the Secretary and the Con-  
19 gress for the improvement of programs under the title and  
20 to ensure programs meet the purposes of the title. The  
21 recommendations of the Board may address any area in  
22 need of improvement, except that any recommendation of  
23 specific legislation to Congress shall be made only if the  
24 President deems it necessary and expedient.

25           “(c) MEMBERSHIP.—



1           “(1) APPOINTMENT.—The International Advi-  
2       sory Board shall have 7 members of whom—

3           “(A) 3 members shall be appointed by the  
4       Secretary;

5           “(B) 2 members shall be appointed by the  
6       Speaker of the House of Representatives, upon  
7       the recommendation of the Majority Leader and  
8       the Minority Leader; and

9           “(C) 2 members shall be appointed by the  
10      President pro tempore of the Senate, upon the  
11      recommendation of the Majority Leader and the  
12      Minority Leader.

13          “(2) REPRESENTATION.—Two of the members  
14      appointed by the Secretary under paragraph (1)(A)  
15      shall be appointed to represent Federal agencies that  
16      have national security responsibilities, after consulta-  
17      tion with the heads of such agencies. The members  
18      of the International Advisory Board shall also in-  
19      clude (but not be limited to) representatives of  
20      States, institutions of higher education, cultural or-  
21      ganizations, educational organizations, local edu-  
22      cation agencies, students, and private citizens with  
23      expertise in international concerns.

24          “(3) QUALIFICATION.—Members of the Inter-  
25      national Advisory Board shall be individuals who



1 have technical qualifications, professional standing,  
2 experience working in international affairs or foreign  
3 service occupations, or demonstrated knowledge in  
4 the fields of higher education and international edu-  
5 cation, including foreign languages, world regions, or  
6 international affairs.

7 “(d) FUNCTIONS OF THE COMMITTEE.—

8 “(1) IN GENERAL.—The International Advisory  
9 Board shall provide recommendations in accordance  
10 with subsection (b) regarding improvement of pro-  
11 grams under this title to the Secretary and the Con-  
12 gress for their review. The Board may—

13 “(A) review and comment upon the regula-  
14 tions for grants under this title;

15 “(B) monitor, apprise, and evaluate a sam-  
16 ple of activities supported under this title based  
17 on the purposes and objectives of this title in  
18 order to provide recommendations for improve-  
19 ment of the programs under this title;

20 “(C) make recommendations that will as-  
21 sist the Secretary and the Congress to improve  
22 the programs under this title to better reflect  
23 the national needs related to the homeland se-  
24 curity, international education, and inter-  
25 national affairs, including an assessment of the



1 national needs and the training provided by the  
2 institutions of higher education that receive a  
3 grant under this title for expert and non-expert  
4 level foreign language training;

5 “(D) make recommendations to the Sec-  
6 retary and the Congress regarding such studies,  
7 surveys, and analyses of international education  
8 that will provide feedback about the programs  
9 under this title and assure that their relative  
10 authorized activities reflect diverse perspectives  
11 and the full range of views on world regions,  
12 foreign languages, and international affairs;

13 “(E) make recommendations that will  
14 strengthen the partnerships between local edu-  
15 cational agencies, public and private elementary  
16 and secondary education schools, and grant re-  
17 cipients under this title to ensure that the re-  
18 search and knowledge about world regions, for-  
19 eign languages, and international affairs is  
20 widely disseminated to local educational agen-  
21 cies;

22 “(F) make recommendations on how insti-  
23 tutions of higher education that receive a grant  
24 under this title can encourage students to serve  
25 the nation and meet national needs in an inter-



1 national affairs, international business, foreign  
2 language, or national security capacity;

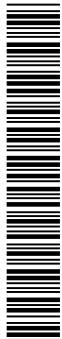
3 “(G) make recommendations on how link-  
4 ages between institutions of higher education  
5 and public and private organizations that are  
6 involved in international education, language  
7 training, and international research capacities  
8 to fulfill manpower and information needs of  
9 United States businesses; and

10 “(H) make recommendations to the Sec-  
11 retary and the Congress about opportunities for  
12 underrepresented populations in the areas of  
13 international relations, international affairs,  
14 and international economics, in order to effec-  
15 tively carry out the activities of the Institute  
16 under part C.

17 “(2) HEARINGS.—The International Advisory  
18 Board shall provide for public hearing and comment  
19 regarding the matter contained in the recommenda-  
20 tions described in paragraph (1), prior to the sub-  
21 mission of those recommendations to Secretary and  
22 the Congress.

23 “(e) OPERATIONS OF THE COMMITTEE.—

24 “(1) TERMS.—Each member of the Inter-  
25 national Advisory Board shall be appointed for a

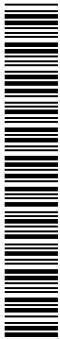


1 term of 3 years, except that, of the members first  
2 appointed (A) 4 shall be appointed for a term of 3  
3 years, and (B) 3 shall be appointed for a term of 4  
4 years, as designated at the time of appointment by  
5 the Secretary. A member of the International Advi-  
6 sory Board may be reappointed to successive terms  
7 on the International Advisory Board.

8 “(2) VACANCIES.—Any member appointed to  
9 fill a vacancy occurring prior to the expiration of the  
10 term of a predecessor shall be appointed only for the  
11 remainder of such term. A member of the Inter-  
12 national Advisory Board shall, upon the Secretary’s  
13 request, continue to serve after the expiration of a  
14 term until a successor has been appointed.

15 “(3) NO GOVERNMENTAL MEMBERS.—Except  
16 for the members appointed by the Secretary under  
17 subsection (c)(1)(A), no officers or full-time employ-  
18 ees of the Federal Government shall serve as mem-  
19 bers of the International Advisory Board.

20 “(4) MEETINGS.—The International Advisory  
21 Board shall meet not less than once each year. The  
22 International Advisory Board shall hold additional  
23 meetings at the call of the Chair or upon the written  
24 request of not less than 3 voting members of the  
25 International Advisory Board.



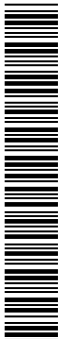
1           “(5) QUORUM.—A majority of the voting mem-  
2       bers of the Board serving at the time of a meeting  
3       shall constitute a quorum.

4           “(6) CHAIR.—The International Advisory  
5       Board shall elect a Chairman or Chairwoman from  
6       among the members of the International Advisory  
7       Board.

8           “(f) SUBMISSION TO DEPARTMENT FOR COM-  
9       MENT.—The International Advisory Board shall submit  
10      its proposed recommendations to the Secretary of Edu-  
11      cation for comment for a period not to exceed 30 days  
12      in each instance.

13          “(g) PERSONNEL AND RESOURCES.—

14               “(1) COMPENSATION AND EXPENSE.—Members  
15      of the International Advisory Committee shall serve  
16      without pay for such service. Members of the Inter-  
17      national Advisory Board who are officers or employ-  
18      ees of the United States may not receive additional  
19      pay, allowances, or benefits by reason of their serv-  
20      ice on the International Advisory Board. Members of  
21      the International Advisory Board may each receive  
22      reimbursement for travel expenses incident to at-  
23      tending International Advisory Board meetings, in-  
24      cluding per diem in lieu of subsistence, as authorized  
25      by section 5703 of title 5, United States Code, for



1 persons in the Government service employed inter-  
2 mittently.

3 “(2) PERSONNEL.—The International Advisory  
4 Board may appoint such personnel as may be deter-  
5 mined necessary by the Chairman without regard to  
6 the provisions of title 5, United States Code, gov-  
7 erning appointments in the competitive service, and  
8 may be paid without regard to the provisions of  
9 chapter 51 and subchapter III of chapter 53 of such  
10 title relating to classification and General Schedule  
11 pay rates, but no individual so appointed shall be  
12 paid in excess of the rate authorized for GS-18 of  
13 the General Schedule. The International Advisory  
14 Board may appoint not more than 1 full-time equiv-  
15 alent, nonpermanent, consultant without regard to  
16 the provisions of title 5, United States Code. The  
17 International Advisory Board shall not be required  
18 by the Secretary to reduce personnel to meet agency  
19 personnel reduction goals.

20 “(3) CONSULTATION.—In carrying out its du-  
21 ties under the Act, the International Advisory Board  
22 shall consult with other Federal agencies, represent-  
23 atives of State and local governments, and private  
24 organizations to the extent feasible.

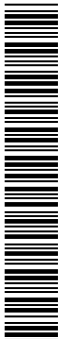
25 “(4) ASSISTANCE FROM OTHER AGENCIES.—



1           “(A) INFORMATION.—The International  
2           Advisory Board is authorized to secure directly  
3           from any executive department, bureau, agency,  
4           board, commission, office, independent estab-  
5           lishment, or instrumentality information, sug-  
6           gestions, estimates, and statistics for the pur-  
7           pose of this section and each such department,  
8           bureau, agency, board, commission, office, inde-  
9           pendent establishment, or instrumentality is au-  
10          thorized and directed, to the extent permitted  
11          by law, to furnish such information, sugges-  
12          tions, estimates, and statistics directly to the  
13          International Advisory Board, upon request  
14          made by the Chairman.

15          “(B) SERVICES AND PERSONNEL.—The  
16          head of each Federal agency shall, to the extent  
17          not prohibited by law, consult with the Inter-  
18          national Advisory Board in carrying out this  
19          section. The International Advisory Board is  
20          authorized to utilize, with their consent, the  
21          services, personnel, information, and facilities of  
22          other Federal, State, local, and private agencies  
23          with or without reimbursement.

24          “(5) CONTRACTS; EXPERTS AND CONSULT-  
25          ANTS.—The International Advisory Board may enter



1 into contracts for the acquisition of information,  
2 suggestions, estimates, and statistics for the purpose  
3 of this section. The International Advisory Board is  
4 authorized to obtain the services of experts and con-  
5 sultants without regard to section 3109 of title 5,  
6 United States Code and to set pay in accordance  
7 with such section.

8 “(h) TERMINATION.—Notwithstanding the sunset  
9 and charter provisions of the Federal Advisory Committee  
10 Act (5 U.S.C. App. I) or any other statute or regulation,  
11 the International Advisory Committee shall be authorized  
12 through September 30, 2012.

13 “(i) FUNDS.—The Secretary shall use not more than  
14 one-half of the funds available to the Secretary under sec-  
15 tion 632 to carry out this section.”.

16 **SEC. 606. RECRUITER ACCESS TO STUDENTS AND STUDENT**  
17 **RECRUITING INFORMATION; SAFETY.**

18 Part D of title VI is amended by inserting after sec-  
19 tion 633 (as added by section 605) the following new sec-  
20 tions:

21 **“SEC. 634. RECRUITER ACCESS TO STUDENTS AND STU-**  
22 **DENT RECRUITING INFORMATION.**

23 “Each institution of higher education that receives a  
24 grant under this title shall assure that—



1           “(1) recruiters of the United States Govern-  
2           ment and agencies thereof are given the same access  
3           to students as is provided generally to other institu-  
4           tions of higher education and prospective employers  
5           of those students for the purpose of recruiting for  
6           graduate opportunities or prospective employment;  
7           and

8           “(2) no undue restrictions are placed upon stu-  
9           dents that seek employment with the United States  
10          Government or any agency thereof.

11   **“SEC. 635. STUDENT SAFETY.**

12          “Applicants seeking funds under this title to support  
13   student travel and study abroad shall submit as part of  
14   their grant application a description of safety policies and  
15   procedures for students participating in the program while  
16   abroad.”.

17   **SEC. 607. NATIONAL STUDY OF FOREIGN LANGUAGE HERIT-**  
18                   **AGE COMMUNITIES.**

19          Part D of title VI is further amended by inserting  
20   after section 635 (as added by section 606) the following  
21   new section:

22   **“SEC. 636. NATIONAL STUDY OF FOREIGN LANGUAGE HER-**  
23                   **ITAGE COMMUNITIES.**

24          “(a) STUDY.—The Secretary of Education, in con-  
25   sultation with the International Advisory Board, shall con-



1 duct a study to identify foreign language heritage commu-  
2 nities, particularly such communities that include speakers  
3 of languages that are critical to the national security of  
4 the United States.

5 “(b) FOREIGN LANGUAGE HERITAGE COMMUNITY.—  
6 For purposes of this section, the term ‘foreign language  
7 heritage community’ means a community of residents or  
8 citizens of the United States who are native speakers of,  
9 or who have partial fluency in, a foreign language.

10 “(c) REPORT.—Not later than 1 year after the date  
11 of the enactment of this Act, the Secretary of Education  
12 shall submit a report to the Congress on the results of  
13 the study conducted under this section.”.

## 14 **TITLE VII—TITLE VII** 15 **AMENDMENTS**

### 16 **SEC. 701. JAVITS FELLOWSHIP PROGRAM.**

17 (a) INTERRUPTIONS OF STUDY.—Section 701(c) (20  
18 U.S.C. 1134(c)) is amended by adding at the end the fol-  
19 lowing new sentence: “In the case of other exceptional cir-  
20 cumstances, such as active duty military service or per-  
21 sonal or family member illness, the institution of higher  
22 education may also permit the fellowship recipient to in-  
23 terrupt periods of study for the duration of the tour of  
24 duty (in the case of military service) or not more than



1 12 months (in any other case), but without payment of  
2 the stipend.”.

3 (b) ALLOCATION OF FELLOWSHIPS.—Section  
4 702(a)(1) (20 U.S.C. 1134a(a)(1)) is amended—

5 (1) in the first sentence, by inserting “from di-  
6 verse geographic regions” after “higher education”;  
7 and

8 (2) by adding at the end the following new sen-  
9 tence: “The Secretary shall also assure that at least  
10 one representative appointed to the Board represents  
11 an institution that is eligible for a grant under title  
12 III or V of this Act.”.

13 (c) STIPENDS.—Section 703 (20 U.S.C. 1134b(a)) is  
14 amended—

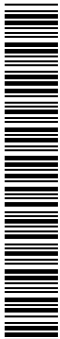
15 (1) in subsection (a)—

16 (A) by striking “1999–2000” and inserting  
17 “2006–2007”;

18 (B) by striking “shall be set” and inserting  
19 “may be set”; and

20 (C) by striking “Foundation graduate fel-  
21 lowships” and inserting “Foundation Graduate  
22 Research Fellowship Program”; and

23 (2) in subsection (b), by amending paragraph  
24 (1)(A) to read as follows:

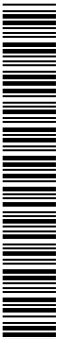


“(1) IN GENERAL.—(A) The Secretary shall (in addition to stipends paid to individuals under this subpart) pay to the institution of higher education, for each individual awarded a fellowship under this subpart at such institution, an institutional allowance. Except as provided in subparagraph (B), such allowance shall be, for 2006–2007 and succeeding academic years, the same amount as the institutional payment made for 2005–2006 adjusted for 2006–2007 and annually thereafter in accordance with inflation as determined by the Department of Labor’s Consumer Price Index for the previous calendar year.”.

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 705 (20 U.S.C. 1134d) is amended by striking “fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years” and inserting “fiscal year 2006 and such sums as may be necessary for each of the 5 succeeding fiscal years”.

20 SEC. 702. GRADUATE ASSISTANCE IN AREAS OF NATIONAL  
21 NEED.

(a) DESIGNATION OF AREAS OF NATIONAL NEED;  
PRIORITY.—Section 712 (20 U.S.C. 1135a) is amended—  
(1) in the last sentence of subsection (b)—



1 (A) by striking “and an assessment” and  
2 inserting “an assessment”; and

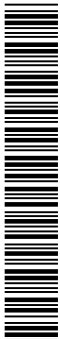
3 (B) by inserting before the period at the  
4 end the following: “, and the priority described  
5 in subsection (c) of this section”; and

6 (2) by adding at the end the following new sub-  
7 section:

8 “(c) PRIORITY.—The Secretary shall establish a pri-  
9 ority for grants in order to prepare individuals for the pro-  
10 fessoriate who will train highly-qualified elementary and  
11 secondary school teachers of math, science, and special  
12 education, and teachers who provide instruction for lim-  
13 ited English proficient individuals. Such grants shall offer  
14 program assistance and graduate fellowships for—

15 “(1) post-baccalaureate study related to teacher  
16 preparation and pedagogy in math and science for  
17 students who have completed a master’s degree or  
18 are pursuing a doctorate of philosophy in math and  
19 science;

20 “(2) post-baccalaureate study related to teacher  
21 preparation and pedagogy in special education and  
22 English language acquisition and academic pro-  
23 ficiency for limited English proficient individuals;  
24 and



1           “(3) support of dissertation research in the  
2           fields of math, science, special education, or second  
3           language pedagogy and second language acquisi-  
4           tion.”.

5           (b) COLLABORATION REQUIRED FOR CERTAIN AP-  
6           PLICATIONS.—Section 713(b) (20 U.S.C. 1135b) is  
7           amended—

8           (1) by striking “and” at the end of paragraph  
9           (9);

10           (2) by redesignating paragraph (10) as para-  
11           graph (11); and

12           (3) by inserting after paragraph (9) the fol-  
13           lowing new paragraph:

14           “(10) in the case of an application for a grant  
15           by a department, program, or unit in education or  
16           teacher preparation, contain assurances that such  
17           department, program, or unit collaborates with de-  
18           partments, programs, or units in all content areas to  
19           assure a successful combination of training in both  
20           teaching and such content; and”.

21           (c) STIPENDS.—Section 714(b) (20 U.S.C. 1135c(b))  
22           is amended—

23           (1) by striking “1999–2000” and inserting  
24           “2006–2007”;



1 (2) by striking “shall be set” and inserting  
2 “may be set”; and

3 (3) by striking “Foundation graduate fellow-  
4 ships” and inserting “Foundation Graduate Re-  
5 search Fellowship Program”.

6 (d) ADDITIONAL ASSISTANCE.—Section 715(a)(1)  
7 (20 U.S.C. 1135d(a)(1)) is amended—

8 (1) by striking “1999–2000” and inserting  
9 “2006–2007”; and

10 (2) by striking “1998–1999” and inserting  
11 “2006–2007”.

12 (e) AUTHORIZATION OF APPROPRIATIONS.—Section  
13 716 (20 U.S.C. 1135e) is amended by striking “fiscal year  
14 1999 and such sums as may be necessary for each of the  
15 4 succeeding fiscal years” and inserting “fiscal year 2006  
16 and such sums as may be necessary for each of the 5 suc-  
17 ceeding fiscal years”.

18 (f) TECHNICAL AMENDMENTS.—Section 714(c) (20  
19 U.S.C. 1135c(c)) is amended—

20 (1) by striking “section 716(a)” and inserting  
21 “section 715(a)”; and

22 (2) by striking “section 714(b)(2)” and insert-  
23 ing “section 713(b)(2)”.



1 **SEC. 703. THURGOOD MARSHALL LEGAL EDUCATIONAL OP-**  
2 **PORTUNITY PROGRAM.**

3 (a) CONTRACT AND GRANT PURPOSES.—Section  
4 721(c) (20 U.S.C. 1136(c)) is amended—

5 (1) by amending paragraph (2) to read as fol-  
6 lows:

7 “(2) to prepare such students for study at ac-  
8 credited law schools and assist them with the devel-  
9 opment of analytical skills and study methods to en-  
10 hance their success and promote completion of law  
11 school;”;

12 (2) by striking “and” at the end of paragraph  
13 (4);

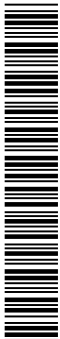
14 (3) by striking the period at the end of para-  
15 graph (5) and inserting “; and”; and

16 (4) by adding at the end the following new  
17 paragraph:

18 “(6) to award Thurgood Marshall Fellowships  
19 to eligible law school students—

20 “(A) who participated in summer institutes  
21 authorized by subsection (d) and who are en-  
22 rolled in an accredited law school; or

23 “(B) who are eligible law school students  
24 who have successfully completed a comparable  
25 summer institute program certified by the  
26 Council on Legal Educational Opportunity.”.



1 (b) SERVICES PROVIDED.—Section 721(d)(1)(D) (20  
2 U.S.C. 1136(d)(1)(D)) is amended by inserting “in ana-  
3 lytical skills and study methods” after “courses”.

4 (c) AUTHORIZATION OF APPROPRIATIONS.—Section  
5 721(h) (20 U.S.C. 1136(h)) is amended by striking “1999  
6 and each of the 4 succeeding fiscal years” and inserting  
7 “2006 and each of the 5 succeeding fiscal years”.

8 (d) GENERAL PROVISIONS.—Subsection (e) of section  
9 731 (20 U.S.C. 1137(e)) is repealed.

10 **SEC. 704. FUND FOR THE IMPROVEMENT OF POSTSEC-**  
11 **ONDARY EDUCATION.**

12 (a) CONTRACT AND GRANT PURPOSES.—Section  
13 741(a) (20 U.S.C. 1138(a)) is amended—

14 (1) by amending paragraph (1) to read as fol-  
15 lows:

16 “(1) the encouragement of the reform and im-  
17 provement of, and innovation in, postsecondary edu-  
18 cation and the provision of educational opportunity  
19 for all, especially for the non-traditional student pop-  
20 ulations;”;

21 (2) in paragraph (2), by inserting before the  
22 semicolon at the end the following: “for postsec-  
23 ondary students, especially those that provide aca-  
24 demic credit for programs”;



1 (3) by amending paragraph (3) to read as fol-  
2 lows:

3 “(3) the establishment of institutions and pro-  
4 grams based on the technology of communications,  
5 including delivery by distance education;” and

6 (4) by amending paragraph (6) to read as fol-  
7 lows:

8 “(6) the introduction of institutional reforms  
9 designed to expand individual opportunities for en-  
10 tering and reentering postsecondary institutions and  
11 pursuing programs of postsecondary study tailored  
12 to individual needs;”.

13 (b) AREAS OF NATIONAL NEED.—Section 744(c) (20  
14 U.S.C. 1138c(c)) is amended by striking paragraph (4)  
15 and inserting the following:

16 “(4) International cooperation, partnerships, or  
17 student exchange among postsecondary educational  
18 institutions in the United States and abroad.

19 “(5) Establishment of academic programs in-  
20 cluding graduate and undergraduate courses, semi-  
21 nars and lectures, support of research, and develop-  
22 ment of teaching materials for the purpose of sup-  
23 porting faculty and academic programs that teach  
24 traditional American history (including significant  
25 constitutional, political, intellectual, economic, diplo-



1 matic, and foreign policy trends, issues, and docu-  
2 ments; the history, nature, and development of  
3 democratic institutions of which American democ-  
4 racy is a part; and significant events and individuals  
5 in the history of the United States).

6 “(6) Support for planning, applied research,  
7 training, resource exchanges or technology transfers,  
8 the delivery of services, or other activities the pur-  
9 pose of which is to design and implement programs  
10 to enable institutions of higher education to work  
11 with private and civic organizations to assist commu-  
12 nities to meet and address their pressing and severe  
13 problems, including economic development, commu-  
14 nity infrastructure and housing, crime prevention,  
15 education, healthcare, self sufficiency, and workforce  
16 preparation.”.

17 (c) AUTHORIZATION OF APPROPRIATIONS.—Section  
18 745 (20 U.S.C. 1138d) is amended by striking  
19 “\$30,000,000 for fiscal year 1999 and such sums as may  
20 be necessary for each of the 4 succeeding fiscal years” and  
21 inserting “\$40,000,000 for fiscal year 2006 and such  
22 sums as may be necessary for each of the 5 succeeding  
23 fiscal years”.



1 **SEC. 705. URBAN COMMUNITY SERVICE.**

2 Part C of title VII (20 U.S.C. 1139 et seq.) is re-  
3 pealed.

4 **SEC. 706. DEMONSTRATION PROJECTS TO ENSURE STU-**  
5 **DENTS WITH DISABILITIES RECEIVE A QUAL-**  
6 **ITY HIGHER EDUCATION.**

7 (a) SERVING ALL STUDENTS WITH DISABILITIES.—  
8 Section 762(a) (20 U.S.C. 1140a(a)) is amended by strik-  
9 ing “students with learning disabilities” and inserting  
10 “students with disabilities”.

11 (b) AUTHORIZED ACTIVITIES.—

12 (1) AMENDMENT.—Section 762(b)(2) is  
13 amended—

14 (A) in subparagraph (A), by inserting “in  
15 order to improve retention and completion”  
16 after “disabilities”;

17 (B) by redesignating subparagraphs (B)  
18 and (C) as subparagraphs (C) and (E), respec-  
19 tively;

20 (C) by inserting after subparagraph (A)  
21 the following new subparagraph:

22 “(B) EFFECTIVE TRANSITION PRAC-  
23 TICES.—The development of innovative, effec-  
24 tive, and efficient teaching methods and strate-  
25 gies to ensure the smooth transition of students



1 with disabilities from high school to postsec-  
2 ondary education.”; and

3 (D) by inserting after subparagraph (C)  
4 (as redesignated by subparagraph (B) of this  
5 paragraph) the following new subparagraph:

6 “(D) DISTANCE LEARNING.—The develop-  
7 ment of innovative, effective, and efficient  
8 teaching methods and strategies to provide fac-  
9 ulty and administrators with the ability to pro-  
10 vide accessible distance education programs or  
11 classes that would enhance access of students  
12 with disabilities to higher education, including  
13 the use of electronic communication for instruc-  
14 tion and advisement.”.

15 (2) CONFORMING AMENDMENT.—Section  
16 762(b)(3) is amended by striking “subparagraphs  
17 (A) through (C)” and inserting “subparagraphs (A)  
18 through (E)”.

19 (c) APPLICATIONS.—Section 763 (20 U.S.C. 1140b)  
20 is amended—

21 (1) by amending paragraph (1) to read as fol-  
22 lows:

23 “(1) a description of how such institution plans  
24 to address the activities allowed under this part;”;



1 (2) by striking “and” at the end of paragraph

2 (2);

3 (3) by striking the period at the end of para-

4 graph (3) and inserting “; and”; and

5 (4) by adding at the end the following new

6 paragraph:

7 “(4) a description of the extent to which an in-

8 stitution will work to replicate the best practices of

9 institutions of higher education with demonstrated

10 success in serving students with disabilities.”.

11 (d) AUTHORIZATION OF APPROPRIATIONS.—Section

12 765 (20 U.S.C. 1140d) is amended by striking “fiscal year

13 1999 and such sums as may be necessary for each of the

14 4 succeeding fiscal years” and inserting “fiscal year 2006

15 and such sums as may be necessary for each of the 5 suc-

16 ceeding fiscal years”.

17 **TITLE VIII—CLERICAL**  
18 **AMENDMENTS**

19 **SEC. 801. CLERICAL AMENDMENTS.**

20 (a) DEFINITION.—Section 103 (20 U.S.C. 1003) is

21 amended—

22 (1) by redesignating paragraphs (1) through

23 (16) as paragraphs (2) through (17), respectively;

24 and



1 (2) by inserting before paragraph (2) (as so re-  
2 designated) the following new paragraph:

3 “(1) AUTHORIZING COMMITTEES.—The term  
4 ‘authorizing committees’ means the Committee on  
5 Health, Education, Labor, and Pensions of the Sen-  
6 ate and the Committee on Education and the Work-  
7 force of the House of Representatives.”.

8 (b) COMMITTEES.—

9 (1) The following provisions are each amended  
10 by striking “Committee on Labor and Human Re-  
11 sources of the Senate and the Committee on Edu-  
12 cation and the Workforce of the House of Rep-  
13 resentatives” and inserting “authorizing commit-  
14 tees”:

15 (A) Section 131(a)(3)(B) (20 U.S.C.  
16 1015(a)(3)(B)).

17 (B) Section 131(c)(4) (20 U.S.C.  
18 1015(c)(4)).

19 (C) Section 206(d) (20 U.S.C. 1026(d)).

20 (D) Section 207(c)(1) (20 U.S.C.  
21 1027(c)(1)).

22 (E) Section 428(g) (20 U.S.C. 1078(g)).

23 (F) Section 428A(a)(4) (20 U.S.C. 1078-  
24 1(a)(4)).



1 (G) Section 428A(c)(2) (20 U.S.C. 1078–  
2 1(c)(2)).

3 (H) Section 428A(c)(3) (20 U.S.C. 1078–  
4 1(c)(3)).

5 (I) Section 428A(c)(5) (20 U.S.C. 1078–  
6 1(c)(5)).

7 (J) Section 455(b)(8)(B) (20 U.S.C.  
8 1087e(b)(8)(B)).

9 (K) Section 483(c) (20 U.S.C. 1090(c)).

10 (L) Section 486(e) (20 U.S.C. 1093(e)).

11 (M) Section 486(f)(3)(A) (20 U.S.C.  
12 1093(f)(3)(A)).

13 (N) Section 486(f)(3)(B) (20 U.S.C.  
14 1093(f)(3)(B)).

15 (O) Section 487A(a)(5) (20 U.S.C.  
16 1094a(a)(5)).

17 (P) Section 487A(b)(2) (20 U.S.C.  
18 1094a(b)(2)).

19 (Q) Section 487A(b)(3)(B) (20 U.S.C.  
20 1094a(b)(3)(B)).

21 (R) Section 498B(d)(1) (20 U.S.C. 1099c–  
22 2(d)(1)).

23 (S) Section 498B(d)(2) (20 U.S.C. 1099c–  
24 2(d)(2)).



1           (2) The following provisions are each amended  
2       by striking “Committee on Education and the Work-  
3       force of the House of Representatives and the Com-  
4       mittee on Labor and Human Resources of the Sen-  
5       ate” and inserting “authorizing committees”:

6           (A) Section 141(d)(4)(B) (20 U.S.C.  
7       1018(d)(4)(B)).

8           (B) Section 428(n)(4) (20 U.S.C.  
9       1078(n)(4)).

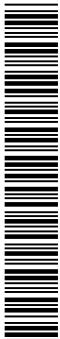
10          (C) Section 437(c)(1) (20 U.S.C.  
11       1087(c)(1)).

12          (D) Section 485(f)(5)(A) (20 U.S.C.  
13       1092(f)(5)(A)).

14          (E) Section 485(g)(4)(B) (20 U.S.C.  
15       1092(g)(4)(B)).

16          (3) Section 206(a) (20 U.S.C. 1026(a)) is  
17       amended by striking “, the Committee on Labor and  
18       Human Resources of the Senate, and the Committee  
19       on Education and the Workforce of the House of  
20       Representatives” and inserting “and the authorizing  
21       committees”.

22          (4) Section 401(f)(3) (20 U.S.C. 1070a(f)(3))  
23       is amended by striking “Committee on Appropria-  
24       tions and the Committee on Labor and Human Re-  
25       sources of the Senate and the Committee on Appro-



1        priations and the Committee on Education and the  
2        Workforce of the House of Representatives” and in-  
3        serting “Committees on Appropriations of the Sen-  
4        ate and House of Representatives and the author-  
5        izing committees”.

6            (5)     Section    428(c)(9)(K)    (20    U.S.C.  
7        1078(c)(9)(K)) is amended by striking “House Com-  
8        mittee on Education and the Workforce and the  
9        Senate Committee on Labor and Human Resources”  
10       and inserting “authorizing committees”.

11           (6) Section 428I(h) (20 U.S.C. 1078–9(h)) is  
12       amended by striking “Chairman of the Senate Labor  
13       and Human Resources Committee and the House  
14       Committee on Education and Labor” and inserting  
15       “chairpersons of the authorizing committees”.

16           (7)     Section    432(f)(1)(C)    (20    U.S.C.  
17       1082(f)(1)(C)) is amended by striking “Committee  
18       on Education and the Workforce of the House of  
19       Representatives or the Committee on Labor and  
20       Human Resources of the Senate” and inserting “ei-  
21       ther of the authorizing committees”.

22           (8) Section 439(d)(1)(E)(iii) (20 U.S.C. 1087–  
23       2(d)(1)(E)(iii)) is amended by striking “Chairman  
24       and the Ranking Member on the Committee on  
25       Labor and Human Resources of the Senate and the

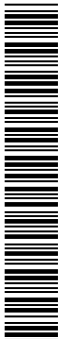


1 Chairman and the Ranking Member of the Com-  
2 mittee on Education and Labor of the House of  
3 Representatives” and inserting “chairpersons and  
4 ranking minority members of the authorizing com-  
5 mittees”.

6 (9) Paragraphs (3) and (8)(C) of section 439(r)  
7 (20 U.S.C. 1087–2(r)) are each amended by striking  
8 “Chairman and ranking minority member of the  
9 Committee on Labor and Human Resources of the  
10 Senate, the Chairman and ranking minority member  
11 of the Committee on Education and Labor of the  
12 House of Representatives,” and inserting “chair-  
13 persons and ranking minority members of the au-  
14 thorizing committees”.

15 (10) Paragraphs (5)(B) and (10) of section  
16 439(r) (20 U.S.C. 1087–2(r)) are each amended by  
17 striking “Chairman and ranking minority member of  
18 the Senate Committee on Labor and Human Re-  
19 sources and to the Chairman and ranking minority  
20 member of the House Committee on Education and  
21 Labor” and inserting “chairpersons and ranking mi-  
22 nority members of the authorizing committees”.

23 (11) Section 439(r)(6)(B) (20 U.S.C. 1087–  
24 2(r)(6)(B)) is amended by striking “Chairman and  
25 ranking minority member of the Committee on



1 Labor and Human Resources of the Senate and to  
2 the Chairman and ranking minority member of the  
3 Committee on Education and Labor of the House of  
4 Representatives” and inserting “chairpersons and  
5 ranking minority members of the authorizing com-  
6 mittees”.

7 (12) Section 439(s)(2)(A) (20 U.S.C. 1087–  
8 2(s)(2)(A)) is amended by striking “Chairman and  
9 Ranking Member of the Committee on Labor and  
10 Human Resources of the Senate and the Chairman  
11 and Ranking Member of the Committee on Eco-  
12 nomic and Educational Opportunities of the House  
13 of Representatives” and inserting “chairpersons and  
14 ranking minority members of the authorizing com-  
15 mittees”.

16 (13) Section 439(s)(2)(B) (20 U.S.C. 1087–  
17 2(s)(2)(B)) is amended by striking “Chairman and  
18 Ranking Minority Member of the Committee on  
19 Labor and Human Resources of the Senate and  
20 Chairman and Ranking Minority Member of the  
21 Committee on Economic and Educational Opportu-  
22 nities of the House of Representatives” and insert-  
23 ing “chairpersons and ranking minority members of  
24 the authorizing committees”.



1           (14) Section 482(d) (20 U.S.C. 1089(d)) is  
2           amended by striking “Committee on Labor and  
3           Human Resources of the Senate and the Committee  
4           on Education and Labor of the House of Represent-  
5           atives” and inserting “authorizing committees”.

6           (c) ADDITIONAL CLERICAL AMENDMENTS.—

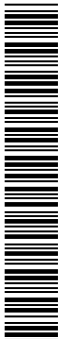
7           (1) Clauses (i) and (ii) of section 425(a)(2)(A)  
8           (20 U.S.C. 1075(a)(2)(A)) are each amended by  
9           striking “428A or 428B” and inserting “428B or  
10          428H”.

11          (2) Section 428(a)(2)(E) (20 U.S.C.  
12          1078(a)(2)(E)) is amended by striking “428A or”.

13          (3) Clauses (i) and (ii) of section 428(b)(1)(B)  
14          (20 U.S.C. 1078(b)(1)(B)) are each amended by  
15          striking “428A or 428B” and inserting “428B or  
16          428H”.

17          (4) Section 428(b)(1)(Q) (20 U.S.C.  
18          1078(b)(1)(Q)) is amended by striking “sections  
19          428A and 428B” and inserting “section 428B or  
20          428H”.

21          (5) Section 428(b)(7)(C) (20 U.S.C.  
22          1078(b)(7)(C)) is amended by striking “428A,  
23          428B,” and inserting “428B”.



1           (6) Section 428G(c)(2) (20 U.S.C. 1078–  
2           7(c)(2)) is amended by striking “428A” and insert-  
3           ing “428H”.

4           (7) The heading for section 433(e) (20 U.S.C.  
5           1083(e)) is amended by striking “SLS LOANS  
6           AND”.

7           (8) Section 433(e) (20 U.S.C. 1083(e)) is  
8           amended by striking “428A, 428B,” and inserting  
9           “428B”.

10          (9) Section 435(a)(3) (20 U.S.C. 1085(a)(3)) is  
11          amended—

12                (A) by inserting “or” at the end of sub-  
13                paragraph (A);

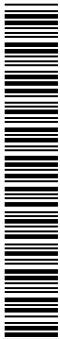
14                (B) by striking subparagraph (B); and

15                (C) by redesignating subparagraph (C) as  
16                subparagraph (B).

17          (10) Section 435(d)(1)(G) (20 U.S.C.  
18          1085(d)(1)(G)) is amended by striking “428A(d),  
19          428B(d), 428C,” and inserting “428B(d), 428C,  
20          428H,”.

21          (11) Section 435(m) (20 U.S.C. 1085(m)) is  
22          amended—

23                (A) in paragraph (1)(A), by striking “,  
24                428A,”; and



1 (B) in paragraph (2)(D), by striking  
2 “428A” each place it appears and inserting  
3 “428H”.

4 (12) Section 438(b)(2)(D) (20 U.S.C. 1087–  
5 1(b)(2)(D)) is amended by striking “division (i) of  
6 this subparagraph” and inserting “clause (i) of this  
7 subparagraph”.

8 (13) Section 438(c)(6) (20 U.S.C. 1087–  
9 1(c)(6)) is amended—

10 (A) by striking “SLS AND PLUS” in the  
11 heading and inserting “PLUS”; and

12 (B) by striking “428A or”.

13 (14) Section 438(c)(7) (20 U.S.C. 1087–  
14 1(c)(7)) is amended by striking “428A or”.

15 (15) Nothing in the amendments made by this  
16 subsection shall be construed to alter the terms, con-  
17 ditions, and benefits applicable to Federal supple-  
18 mental loans for students (“SLS loans”) under sec-  
19 tion 428A as in effect prior to July 1, 1994 (20  
20 U.S.C. 1078–1).



1       **TITLE IX—AMENDMENTS TO**  
2       **OTHER EDUCATION LAWS**

3       **PART 1—EDUCATION OF THE DEAF ACT OF 1986**

4       **SEC. 901. LAURENT CLERC NATIONAL DEAF EDUCATION**  
5       **CENTER.**

6           (a) GENERAL AUTHORITY.—Section 104(a)(1)(A) of  
7 the Education of the Deaf Act of 1986 (20 U.S.C.  
8 4304(a)(1)(A)) is amended by inserting after “maintain  
9 and operate” the following: “, at the Laurent Clerc Na-  
10 tional Deaf Education Center,”.

11          (b) ADMINISTRATIVE REQUIREMENTS.—

12           (1) IN GENERAL.—Section 104(b) of the Edu-  
13 cation of the Deaf Act of 1986 (20 U.S.C. 4304(b))  
14 is amended—

15           (A) in the matter preceding subparagraph  
16 (A) of paragraph (1), by striking “elementary  
17 and secondary education programs” and insert-  
18 ing “Laurent Clerc National Deaf Education  
19 Center”; and

20           (B) in paragraph (2), by striking “elemen-  
21 tary and secondary education programs” and  
22 inserting “Laurent Clerc National Deaf Edu-  
23 cation Center”.

24           (2) ACADEMIC CONTENT STANDARDS, ACHIEVE-  
25 MENT STANDARDS, AND ASSESSMENTS.—Section



1       104(b) of the Education of the Deaf Act of 1986  
2       (20 U.S.C. 4304(b)) is amended by adding at the  
3       end the following new paragraph:

4       “(5) The University, in consultation with the Sec-  
5       retary and consistent with the mission of the elementary  
6       and secondary programs operated at the Laurent Clerc  
7       National Deaf Education Center, shall—

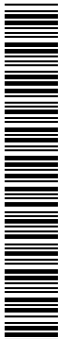
8               “(A) not later than the beginning of the 2007–  
9       2008 school year, adopt and implement academic  
10      content standards, academic achievement standards,  
11      and academic assessments as described in para-  
12      graphs (1) and (3) of section 1111(b) of the Ele-  
13      mentary and Secondary Education Act of 1965 for  
14      such Center;

15              “(B) develop adequate yearly progress stand-  
16      ards for such Center as described in section  
17      1111(b)(2)(C) of such Act; and

18              “(C) publicly report the results of such assess-  
19      ments, except in such case in which such reporting  
20      would not yield statistically reliable information or  
21      would reveal personally identifiable information  
22      about an individual student.”.

23   **SEC. 902. AUTHORITY.**

24       Section 111 of the Education of the Deaf Act of 1986  
25   (20 U.S.C. 4331) is amended by striking “the institution



1 of higher education with which the Secretary has an agree-  
2 ment under this part” and inserting “the Rochester Insti-  
3 tute of Technology”.

4 **SEC. 903. AGREEMENT FOR THE NATIONAL TECHNICAL IN-**  
5 **STITUTE FOR THE DEAF.**

6 (a) GENERAL AUTHORITY.—Section 112(a) of the  
7 Education of the Deaf Act of 1986 (20 U.S.C. 4332(a))  
8 is amended—

9 (1) in paragraph (1)—

10 (A) in the first sentence—

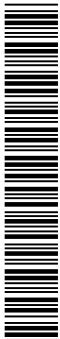
11 (i) by striking “an institution of high-  
12 er education” and inserting “the Rochester  
13 Institute of Technology, Rochester, New  
14 York,”; and

15 (ii) by striking “of a” and inserting  
16 “of the”; and

17 (B) by striking the second sentence; and

18 (2) in paragraph (2)—

19 (A) in the matter preceding subparagraph  
20 (A), by striking “the institution of higher edu-  
21 cation with which the Secretary has an agree-  
22 ment under this section” and inserting “the  
23 Rochester Institute of Technology”; and



1 (B) in subparagraph (B), by striking “the  
2 institution” and inserting “the Rochester Insti-  
3 tute of Technology”.

4 (b) PROVISIONS OF AGREEMENT.—Section 112(b) of  
5 the Education of the Deaf Act of 1986 (20 U.S.C.  
6 4332(b)) is amended—

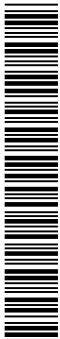
7 (1) in paragraph (2), by striking “or other gov-  
8 erning body of the institution” and inserting “of the  
9 Rochester Institute of Technology”; and

10 (2) in paragraph (3)—

11 (A) by striking “or other governing body of  
12 the institution” and inserting “of the Rochester  
13 Institute of Technology”;

14 (B) by striking “the institution of higher  
15 education under the agreement with the Sec-  
16 retary” and inserting “the Rochester Institute  
17 of Technology by the National Technical Insti-  
18 tute for the Deaf”; and

19 (C) by striking “Committee on Education  
20 and Labor of the House of Representatives and  
21 to the Committee on Labor and Human Re-  
22 sources of the Senate” and inserting “Com-  
23 mittee on Education and the Workforce of the  
24 House of Representatives and to the Committee



1 on Health, Education, Labor, and Pensions of  
2 the Senate”.

3 (c) LIMITATION.—Section 112(c) of the Education of  
4 the Deaf Act of 1986 (20 U.S.C. 4332(c)) is amended in  
5 paragraphs (1) and (2) by striking “institution” each  
6 place it appears and inserting “Rochester Institute of  
7 Technology”.

8 **SEC. 904. DEFINITIONS.**

9 Section 201 of the Education of the Deaf Act of 1986  
10 (20 U.S.C. 4351) is amended—

11 (1) by striking paragraph (3);

12 (2) by redesignating paragraphs (4) through  
13 (7) as paragraphs (3) through (6), respectively; and

14 (3) by adding at the end the following new  
15 paragraph:

16 “(7) The term ‘RIT’ means the Rochester Insti-  
17 tute of Technology.”.

18 **SEC. 905. AUDIT.**

19 (a) GOVERNMENT ACCOUNTABILITY OFFICE AU-  
20 THORITY.—Section 203(a) of the Education of the Deaf  
21 Act of 1986 (20 U.S.C. 4353(a)) is amended—

22 (1) in the heading, by striking “GENERAL AC-  
23 COUNTING OFFICE” and inserting “GOVERNMENT  
24 ACCOUNTABILITY OFFICE”; and



1 (2) in the matter following paragraph (2), by  
2 striking “General Accounting Office” and inserting  
3 “Government Accountability Office”.

4 (b) INDEPENDENT FINANCIAL AND COMPLIANCE  
5 AUDIT.—Section 203(b)(1) of the Education of the Deaf  
6 Act of 1986 (20 U.S.C. 4353(b)(1)) is amended by strik-  
7 ing the second sentence and inserting the following:  
8 “NTID shall have an annual independent financial and  
9 compliance audit made of RIT programs and activities,  
10 including NTID programs and activities.”.

11 (c) COMPLIANCE.—Section 203(b)(2) of the Edu-  
12 cation of the Deaf Act of 1986 (20 U.S.C. 4353(b)(2))  
13 is amended by striking “sections” and all that follows  
14 through “section 207” and inserting “sections 102(b),  
15 105(b)(4), 112(b)(5), 203(c), 207(b)(2), subsections (c)  
16 through (f) of section 207”.

17 (d) SUBMISSION OF AUDITS.—Section 203(b)(3) of  
18 the Education of the Deaf Act of 1986 (20 U.S.C.  
19 4353(b)(3)) is amended—

20 (1) by inserting after “Secretary” the following:  
21 “and the Committee on Education and the Work-  
22 force of the House of Representatives and the Com-  
23 mittee on Health, Education, Labor, and Pensions  
24 of the Senate”; and



1 (2) by striking “or the institution authorized to  
2 establish and operate the NTID under section  
3 112(a)” and inserting “or RIT”.

4 (e) LIMITATIONS REGARDING EXPENDITURE OF  
5 FUNDS.—Section 203(c)(2)(A) of the Education of the  
6 Deaf Act of 1986 (20 U.S.C. 4353(c)(2)(A)) is amended  
7 in the fifth sentence by striking “the Committee on Edu-  
8 cation and Labor of the House of Representatives and the  
9 Committee on Labor and Human Resources of the Sen-  
10 ate” and inserting “the Committee on Education and the  
11 Workforce of the House of Representatives and the Com-  
12 mittee on Health, Education, Labor, and Pensions of the  
13 Senate”.

14 **SEC. 906. REPORTS.**

15 (a) TECHNICAL AMENDMENTS.—Section 204 of the  
16 Education of the Deaf Act of 1986 (20 U.S.C. 4354) is  
17 amended in the matter preceding paragraph (1)—

18 (1) by striking “or other governing body of the  
19 institution of higher education with which the Sec-  
20 retary has an agreement under section 112” and in-  
21 serting “of RIT”; and

22 (2) by striking “Committee on Education and  
23 Labor of the House of Representatives and the Com-  
24 mittee on Labor and Human Resources of the Sen-  
25 ate” and inserting “Committee on Education and



1 the Workforce of the House of Representatives and  
2 the Committee on Health, Education, Labor, and  
3 Pensions of the Senate”.

4 (b) CONTENTS OF REPORT.—Section 204 of the  
5 Education of the Deaf Act of 1986 (20 U.S.C. 4354) is  
6 amended—

7 (1) in paragraph (2)(C), by striking “upon  
8 graduation/completion” and inserting “within one  
9 year of graduation/completion”; and

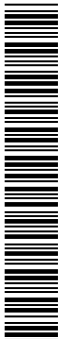
10 (2) in paragraph (3)(B), by striking “of the in-  
11 stitution of higher education with which the Sec-  
12 retary has an agreement under section 112, includ-  
13 ing specific schedules and analyses for all NTID  
14 funds, as required under section 203” and inserting  
15 “of RIT programs and activities”.

16 **SEC. 907. LIAISON FOR EDUCATIONAL PROGRAMS.**

17 Section 206(a) of the Education of the Deaf Act of  
18 1986 (20 U.S.C. 4356(a)) is amended by striking “Not  
19 later than 30 days after the date of enactment of this Act,  
20 the” and inserting “The”.

21 **SEC. 908. FEDERAL ENDOWMENT PROGRAMS FOR GAL-**  
22 **LAUDET UNIVERSITY AND THE NATIONAL**  
23 **TECHNICAL INSTITUTE FOR THE DEAF.**

24 Section 207(a)(2) of the Education of the Deaf Act  
25 of 1986 (20 U.S.C. 4357(a)(2)) is amended by striking



1 “or other governing body of the institution of higher edu-  
2 cation with which the Secretary has an agreement under  
3 section 112” and inserting “of RIT”.

4 **SEC. 909. OVERSIGHT AND EFFECT OF AGREEMENTS.**

5 Section 208(a) of the Education of the Deaf Act of  
6 1986 (20 U.S.C. 4359(a)) is amended—

7 (1) by striking “the institution of higher edu-  
8 cation with which the Secretary has an agreement  
9 under part B of title I” and inserting “RIT”; and

10 (2) by striking “Committee on Labor and  
11 Human Resources of the Senate and the Committee  
12 on Education and Labor of the House of Represent-  
13 atives” and inserting “Committee on Education and  
14 the Workforce of the House of Representatives and  
15 the Committee on Health, Education, Labor, and  
16 Pensions of the Senate”.

17 **SEC. 910. AUTHORIZATION OF APPROPRIATIONS.**

18 (a) MONITORING AND EVALUATION ACTIVITIES.—

19 Section 205(c) of the Education of the Deaf Act of 1986  
20 (20 U.S.C. 4355(c)) is amended by striking “fiscal years  
21 1998 through 2003” and inserting “fiscal years 2006  
22 through 2011”.

23 (b) FEDERAL ENDOWMENT PROGRAMS FOR GAL-  
24 LAUDET UNIVERSITY AND THE NATIONAL TECHNICAL IN-  
25 STITUTE FOR THE DEAF.—Section 207(h) of the Edu-



1 cation of the Deaf Act of 1986 (20 U.S.C. 4357(h)) is  
2 amended in paragraphs (1) and (2) by striking “fiscal  
3 years 1998 through 2003” each place it appears and in-  
4 serting “fiscal years 2006 through 2011”.

5 (c) GENERAL AUTHORIZATION OF APPROPRIA-  
6 TIONS.—Section 212 of the Education of the Deaf Act of  
7 1986 (20 U.S.C. 4360a) is amended—

8 (1) in the matter preceding paragraph (1) in  
9 subsection (a), by striking “fiscal years 1998  
10 through 2003” and inserting “fiscal years 2006  
11 through 2011”; and

12 (2) in subsection (b), by striking “fiscal years  
13 1998 through 2003” and inserting “fiscal years  
14 2006 through 2011”.

15 **PART 2—ADDITIONAL EDUCATION LAWS**

16 **SEC. 921. AMENDMENT TO HIGHER EDUCATION AMEND-**  
17 **MENTS OF 1998.**

18 (a) REPEALS OF EXPIRED AND EXECUTED PROVI-  
19 SIONS.—The following provisions of the Higher Education  
20 Amendments of 1998 are repealed:

21 (1) STUDY OF MARKET MECHANISMS IN FED-  
22 ERAL STUDENT LOAN PROGRAMS.—Section 801 (20  
23 U.S.C. 1018 note).



1           (2) STUDY OF FEASIBILITY OF ALTERNATE FI-  
2           NANCIAL INSTRUMENTS FOR DETERMINING LENDER  
3           YIELDS.—Section 802.

4           (3) STUDENT RELATED DEBT STUDY.—Section  
5           803 (20 U.S.C. 1015 note).

6           (4) STUDY OF OPPORTUNITIES FOR PARTICIPA-  
7           TION IN ATHLETIC PROGRAMS.—Section 805 (20  
8           U.S.C. 1001 note).

9           (5) COMMUNITY SCHOLARSHIP MOBILIZA-  
10          TION.—Part C (20 U.S.C. 1070 note).

11          (6) INCARCERATED YOUTH.—Part D (20  
12          U.S.C. 1151).

13          (7) IMPROVING UNITED STATES UNDER-  
14          STANDING OF SCIENCE, ENGINEERING, AND TECH-  
15          NOLOGY IN EAST ASIA.—Part F (20 U.S.C. 1862  
16          note).

17          (8) WEB-BASED EDUCATION COMMISSION.—  
18          Part J.

19          (b) EXTENSIONS OF AUTHORIZATIONS AND STUD-  
20          IES.—

21               (1) TRANSFER OF CREDIT.—Section 804(b) (20  
22               U.S.C. 1099b note) is amended—

23                       (A) by striking “one year after the date of  
24                       enactment of this Act” and inserting “Sep-  
25                       tember 30, 2007”; and



1 (B) by inserting “and policies of institu-  
2 tions of higher education” after “agencies or  
3 associations”.

4 (2) COHORT DEFAULT RATE STUDY.—Section  
5 806 is amended—

6 (A) in subsection (a), by striking “higher  
7 education at which less” and inserting “higher  
8 education. The study shall also review the effect  
9 of cohort default rates specifically on institu-  
10 tions of higher education at which less”; and

11 (B) in subsection (c), by striking “Sep-  
12 tember 30, 1999,” and inserting “September  
13 30, 2007,”.

14 (3) VIOLENCE AGAINST WOMEN.—Section 826  
15 (20 U.S.C. 1152) is amended—

16 (A) in subsection (g)—

17 (i) by striking “1999” and inserting  
18 “2006”; and

19 (ii) by striking “4 succeeding” and in-  
20 serting “5 succeeding”; and

21 (B) by redesignating subsections (f) and  
22 (g) as subsections (e) and (f), respectively.

23 (4) UNDERGROUND RAILROAD.—Subsection (c)  
24 of section 841 (20 U.S.C. 1153(c)) is amended to  
25 read as follows:



1       “(c) AUTHORIZATION OF APPROPRIATIONS.—There  
2 are authorized to be appropriated to carry out this section  
3 \$3,000,000 for fiscal year 2006 and such sums as may  
4 be necessary for each of the 5 succeeding fiscal years.”.

5       (c) DISBURSEMENT OF STUDENT LOANS.—Section  
6 422(d) of the Higher Education Amendments of 1998  
7 (Public Law 105–244; 112 Stat. 1696) is amended by  
8 adding at the end the following new sentence: “Such  
9 amendments shall also be effective on and after July 1,  
10 2006.”.

11 **SEC. 922. TRIBALLY CONTROLLED COLLEGE OR UNIVER-**  
12 **SITY ASSISTANCE ACT OF 1978.**

13       (a) TITLE I AUTHORIZATION.—Section 110(a) of the  
14 Tribally Controlled Community College or University As-  
15 sistance Act of 1978 (25 U.S.C. 1810(a)) is amended—

16           (1) by striking “1999” each place it appears  
17 and inserting “2006”; and

18           (2) by striking “4 succeeding” each place it ap-  
19 pears and inserting “5 succeeding”.

20       (b) TITLE III REAUTHORIZATION.—Section 306(a)  
21 of the Tribally Controlled Community College or Univer-  
22 sity Assistance Act of 1978 (25 U.S.C. 1836(a)) is  
23 amended—

24           (1) by striking “1999” and inserting “2006”;  
25 and



1 (2) by striking “4 succeeding” and inserting “5  
2 succeeding”.

3 (c) TITLE IV REAUTHORIZATION.—Section 403 of  
4 the Tribal Economic Development and Technology Re-  
5 lated Education Assistance Act of 1990 (25 U.S.C. 1852)  
6 is amended—

7 (1) by striking “1999” and inserting “2006”;  
8 and

9 (2) by striking “4 succeeding” and inserting “5  
10 succeeding”.

11 (d) ADDITIONAL AMENDMENTS.—The Tribally Con-  
12 trolled Community College or University Assistance Act  
13 of 1978 is further amended—

14 (1) in section 2(a)(6) (25 U.S.C. 1801(a)(6)),  
15 by striking “in the field of Indian education” and in-  
16 serting “in the field of Tribal Colleges and Univer-  
17 sities and Indian higher education”;

18 (2) in section 2(b), by striking paragraph (5)  
19 and inserting the following:

20 “(5) Eligible credits earned in a continuing  
21 education program shall be determined as one credit  
22 for every 10 contact hours for institutions on a  
23 quarter system, and 15 contact hours for institu-  
24 tions on a semester system, of participation in an or-  
25 ganized continuing education experience under re-



1       sponsible sponsorship, capable direction, and quali-  
2       fied instruction, as described in the criteria estab-  
3       lished by the International Association for Con-  
4       tinuing Education and Training, and may not exceed  
5       20 percent of an institution's total Indian student  
6       count.”; and

7               (3) in section 103 (25 U.S.C. 1804), by striking  
8       “and” at the end of paragraph (2), by striking the  
9       period at the end of paragraph (3) and inserting “;  
10      and”, and by inserting after paragraph (3) the fol-  
11      lowing new paragraph:

12              “(4) has been accredited by a nationally recog-  
13      nized accrediting agency or association determined  
14      by the Secretary of Education to be a reliable au-  
15      thority as to the quality of training offered, or is, ac-  
16      cording to such an agency or association, making  
17      reasonable progress toward accreditation.”.

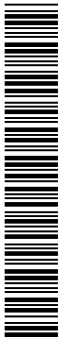
18   **SEC. 923. NAVAJO COMMUNITY COLLEGE ACT.**

19       Section 5(a)(1) of the Navajo Community College Act  
20   (25 U.S.C. 640c–1(a)(1)) is amended—

21              (1) by striking “1999” and inserting “2006”;

22      and

23              (2) by striking “4 succeeding” and inserting “5  
24      succeeding”.



1 **SEC. 924. EDUCATION AMENDMENTS OF 1992.**

2 Section 1543(d) of the Education Amendments of  
3 1992 (20 U.S.C. 1070 note) is amended—

4 (1) by striking “1999” and inserting “2006”;  
5 and

6 (2) by striking “4 succeeding” and inserting “5  
7 succeeding”.

8 **SEC. 925. STUDY OF STUDENT LEARNING OUTCOMES AND**  
9 **PUBLIC ACCOUNTABILITY.**

10 (a) STUDY REQUIRED.—The Secretary shall provide  
11 for the conduct a study of the best practices of States in  
12 assessing undergraduate postsecondary student learning,  
13 particularly as such practices relate to public account-  
14 ability systems.

15 (b) CHARACTERISTICS OF THE ASSOCIATION.—Such  
16 study shall be conducted by an association or organization  
17 with specific expertise and knowledge in state practices  
18 and access to necessary state officials (in this section re-  
19 ferred to as the “association”). The association respon-  
20 sible for the study under this section shall be a national,  
21 non-partisan or bi-partisan entity representing States or  
22 State officials with expertise in evaluative and qualitative  
23 policy research for best practice models, the capacity to  
24 convene experts, and to formulate policy recommenda-  
25 tions.



1 (c) REQUIRED SUBJECTS OF STUDY.—In performing  
2 the study, the association shall, at a minimum, examine  
3 the following:

4 (1) The current status of institutional and state  
5 efforts to embed student learning assessments into  
6 the state-level public accountability frameworks.

7 (2) The extent to which there is commonality  
8 among educators and accrediting agencies on learn-  
9 ing standards for the associates and bachelors de-  
10 grees.

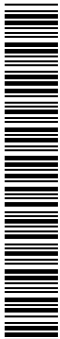
11 (3) The reliability, rigor, and generalizability of  
12 available instruments to assess general education at  
13 the undergraduate level.

14 (4) Roles and responsibilities for public ac-  
15 countability for student learning.

16 (d) CONSULTATION.—

17 (1) NATIONAL COMMITTEE.—The association  
18 shall establish and consult with a national com-  
19 mittee. The committee shall meet not less than twice  
20 a year to review the research, identify best practice  
21 models, and review recommendations.

22 (2) MEMBERSHIP.—The national advisory com-  
23 mittee shall consist of a representative of the Sec-  
24 retary of Education and individuals with expertise  
25 in—



- 1 (A) State accountability systems;
- 2 (B) student learning assessments;
- 3 (C) student flow data;
- 4 (D) transitions between K–12 and higher
- 5 education; and
- 6 (E) Federal higher education policy.

7 (3) ADDITIONAL EXPERTISE.—The association  
8 may augment this committee with other expertise, as  
9 appropriate.

10 (e) CONGRESSIONAL CONSULTATION.—The associa-  
11 tion shall consult on a regular basis with the Committee  
12 on Education and the Workforce of the House of Rep-  
13 resentatives and the Committee on Health Education  
14 Labor and Pensions of the Senate in carrying out the  
15 study required by this section.

16 (f) REPORT.—The association shall, not later than  
17 two years after the date of enactment of this Act, prepare  
18 and submit a report on the study required by this section  
19 to the Committee on Education and the Workforce of the  
20 House of Representatives and the Committee on Health,  
21 Education, Labor, and Pensions of the Senate.

